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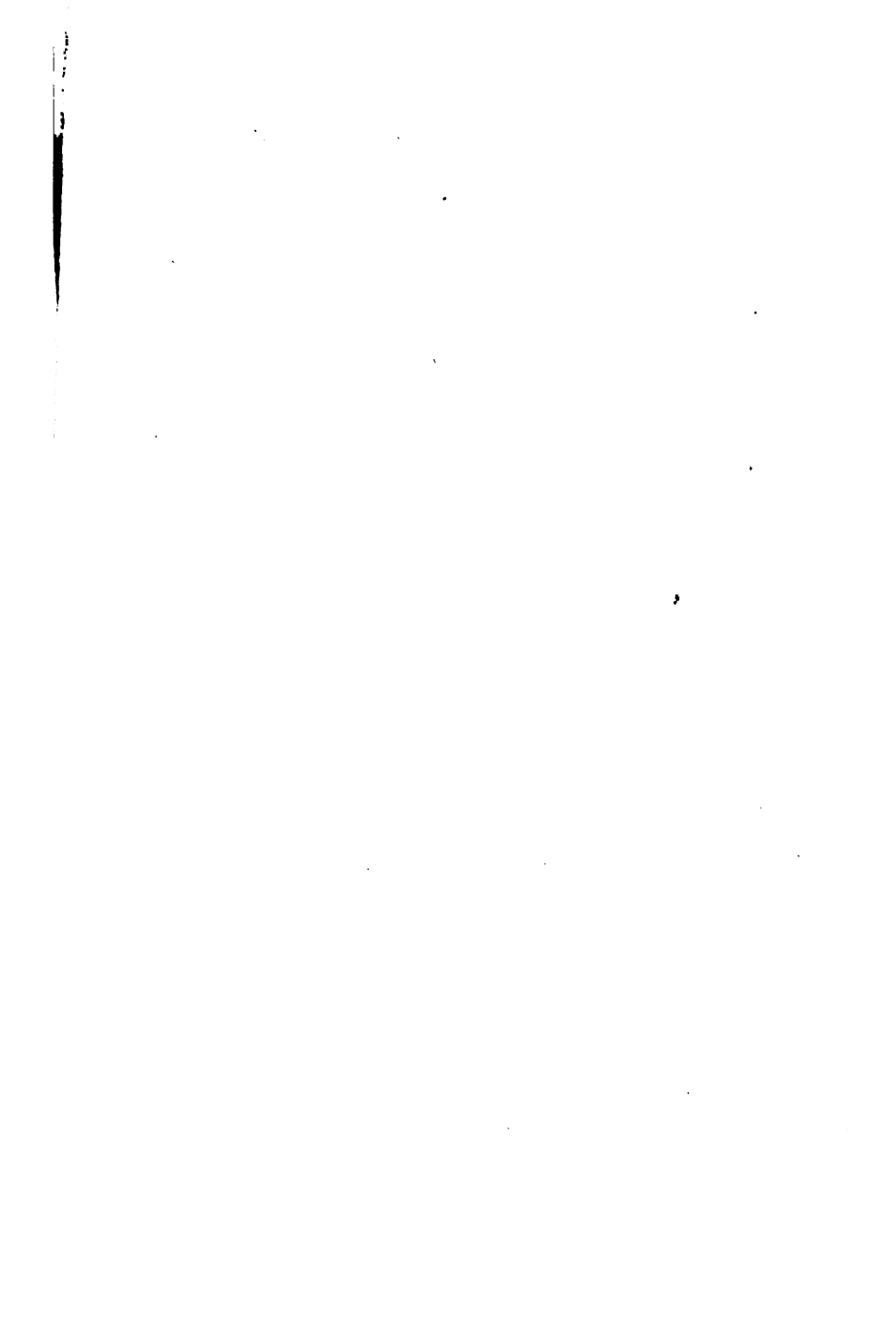
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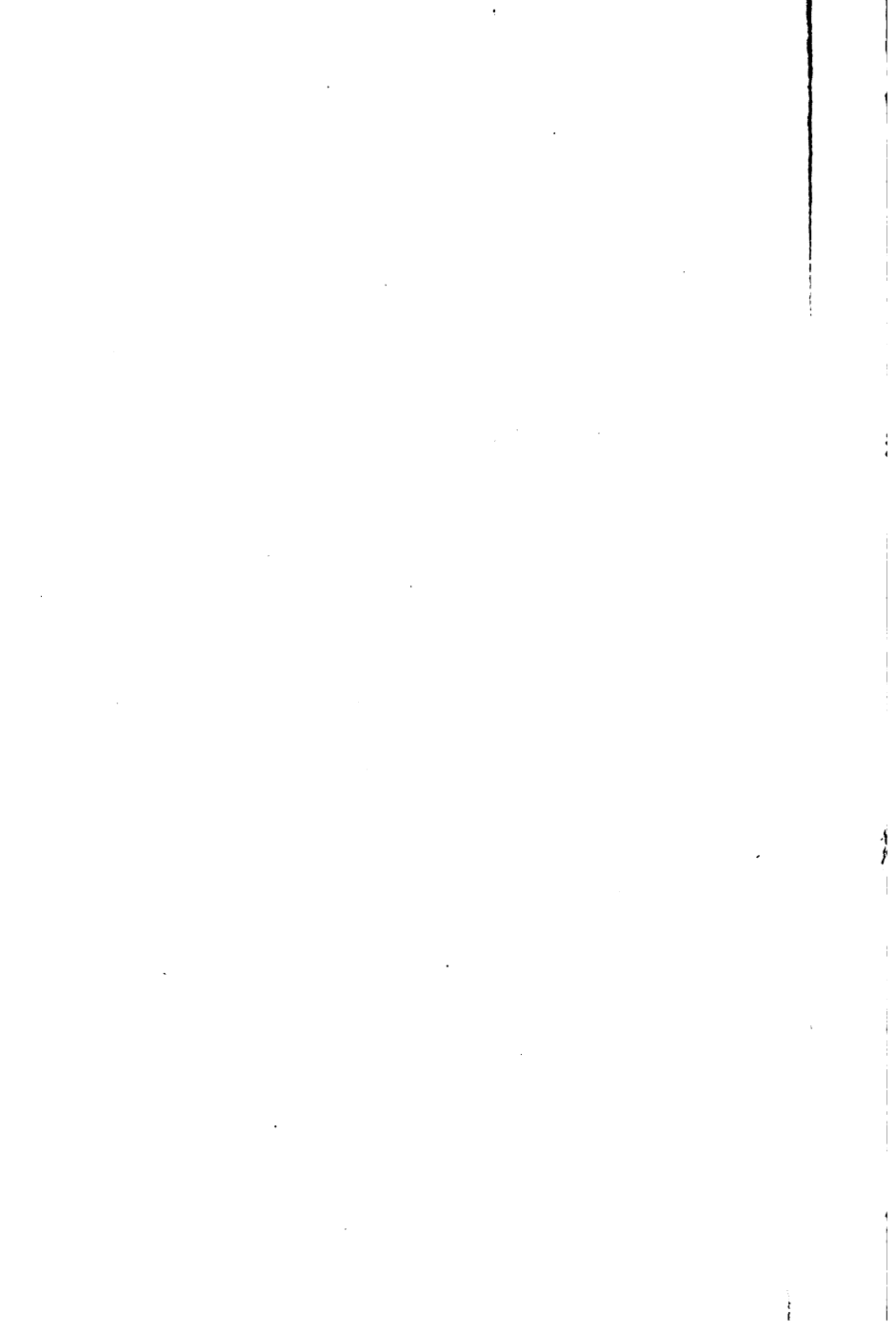
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DENMARK

A Cooperative Commonwealth

BY

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"THE LAND AND THE SOLDIER," "THE HIGH
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"PRIVILEGE AND DEMOCRACY IN AMERICA,"
"THE CITY: THE HOPE OF DEMOCRACY," ETC.



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PREFACE

As I reread the proof-sheets of this study of Denmark and the Danish people, I felt that I should have some confirmation of my observations as to the conditions in that country. A visitor is likely to see what he goes prepared to see or what over-zealous friends want him to see. To guard against this danger, I took the proofs to well-informed Danes resident in this country for criticism. They kindly checked up the historical and social data. They verified the statistical statements from official manuals. They confirmed the interpretation of the cultural life of the people, of the essential democracy of the country, and of the industrial and social conditions that prevail.

Denmark seems to me to be quite the most valuable political exhibit in the modern world. It should be studied by statesmen. It should be visited by commissions, especially by commissions from the agricultural states of the American West. Denmark is one of the few countries in the world that is using its political

agencies in an intelligent, conscious way for the promotion of the economic well being, the comfort and the cultural life of the people.

This is the first lesson that this little country teaches. It is a very important lesson. For whether we go to England, to France, to Germany, or to the United States, we find the same conditions prevailing. The political state is in a bad way. It commands little confidence. It does not function well. It is an imperialistic thing. It is an agency of classes and groups. It does not represent or aim to represent the great mass of the people. And it does very little to serve them.

Second, Denmark shows that the state can control the distribution of wealth and increase its production as well. It can destroy monopoly and privileges of all kinds. It can put an end to poverty. It can make it possible for all people to live easily and comfortably. That in itself is of great value. One cannot study the many laws that have been enacted during the last generation without being impressed by the ease with which the state can serve its people if it has a mind to do so. For Denmark has raised the standard of intelligence to a high point. It has abolished illiteracy. Most im-

PREFACE

v

portant of all, it has ushered in a society in which equality of opportunity is not far from an accomplished fact.

Denmark also demonstrates that agriculture can be made an alluring as well as a profitable profession. The wealth that can be taken from the ground is measured by the intelligence of the farmer and the laws that determine the distribution of the produce. The latter is by far the more important. For if the farmer gives up a great part of his produce to the landlord, or if it is taken by speculators, by middlemen or others, agriculture is bound to decay. It cannot be otherwise. For over a generation Denmark has been working out plans for converting the tenant into a home owner. This probably explains the other achievements of the country. This lies back of the educational program as well as the universal spirit of co-operation that prevails.

The culture of Denmark is also unique. It is a culture not of a few people but of the whole nation. The state has decreed that education should be the possession of all of the people. Knowledge has been taken out of cold storage. It has been made a practical thing. It increases the production of wealth. And culture

has lost none of its finer qualities in the process. Rather it has gained.

Denmark demonstrates, too, that democracy levels up. It selects men of talent and entrusts them with power. No country in Europe spends so large a part of its budget on education, on social agencies, on cultural things. No city in Europe is more generous in its appreciation of literature, the opera, the drama, and an intelligent press than is Copenhagen. And no people as a whole are so eager for lectures, for purely intellectual enjoyments, as are the Danes. This is true of the farmer. It is true of the agricultural worker. It is true of the artisan in the town.

Cooperation is the thing for which Denmark is most widely known. And cooperation pervades everything. It is universal among the farmers, and is fast becoming universal in the towns as well. The movement partakes more of industrial democracy than it does of consumers' cooperation. The farmers own their own dairies, slaughterhouses, egg-collecting societies, banks, and all kinds of breeding and developing agencies. Every second family in Denmark is connected with one or more of the cooperative societies, while the average farmer

is a member of from three to ten such organizations. His life centers in the cooperative. He acquires a knowledge of chemical, mechanical and industrial processes from the cooperative. He gets a very practical education in this way. Cooperation, however, is far more than a profit-making thing. It far more than an agency for protecting the farmer from exploitation. Cooperation is of the very texture of the everyday life of Denmark. Through the thousands of cooperative societies the economic life of the people moves, just as their political life moves through the political state. And the men who have been trained in the cooperative movement are the men who have risen to political power. This cooperative movement of the farmers has ended the duality that prevails in other countries. It has put an end to the artificiality of a political state governed by lawyers, landowners, or a privileged class, and an economic state separate and detached from the political state. In Denmark men work and govern as a single undertaking. The economic and political state are merged. They reflect one another. The state is a farmers' state. And the political state mirrors the needs of the farmer.

Denmark is also a demonstration of the value of the small nation. Like Belgium, Norway and Australia, the population is homogeneous. The people know one another. They are willing to make experiments. They see what is actually going on. They can study social legislation, taxation or the railroad question and can measure the value of these agencies as they cannot in a larger country. Art, the drama, literature and education can be more easily developed than in a large state. A small state is hopelessly unable to acquire and hold imperialistic possessions or gain anything from a great army or navy. So it abandons these pursuits to the greater powers. Denmark gave Iceland her freedom. Her pride did not suffer as a consequence. And there was no protest on the part of any group or class. Denmark has no overseas ambitions. She has no interest in other people's lands. She is concerned solely with the intensive development of her own territory and the promotion of the well-being of her three million people.

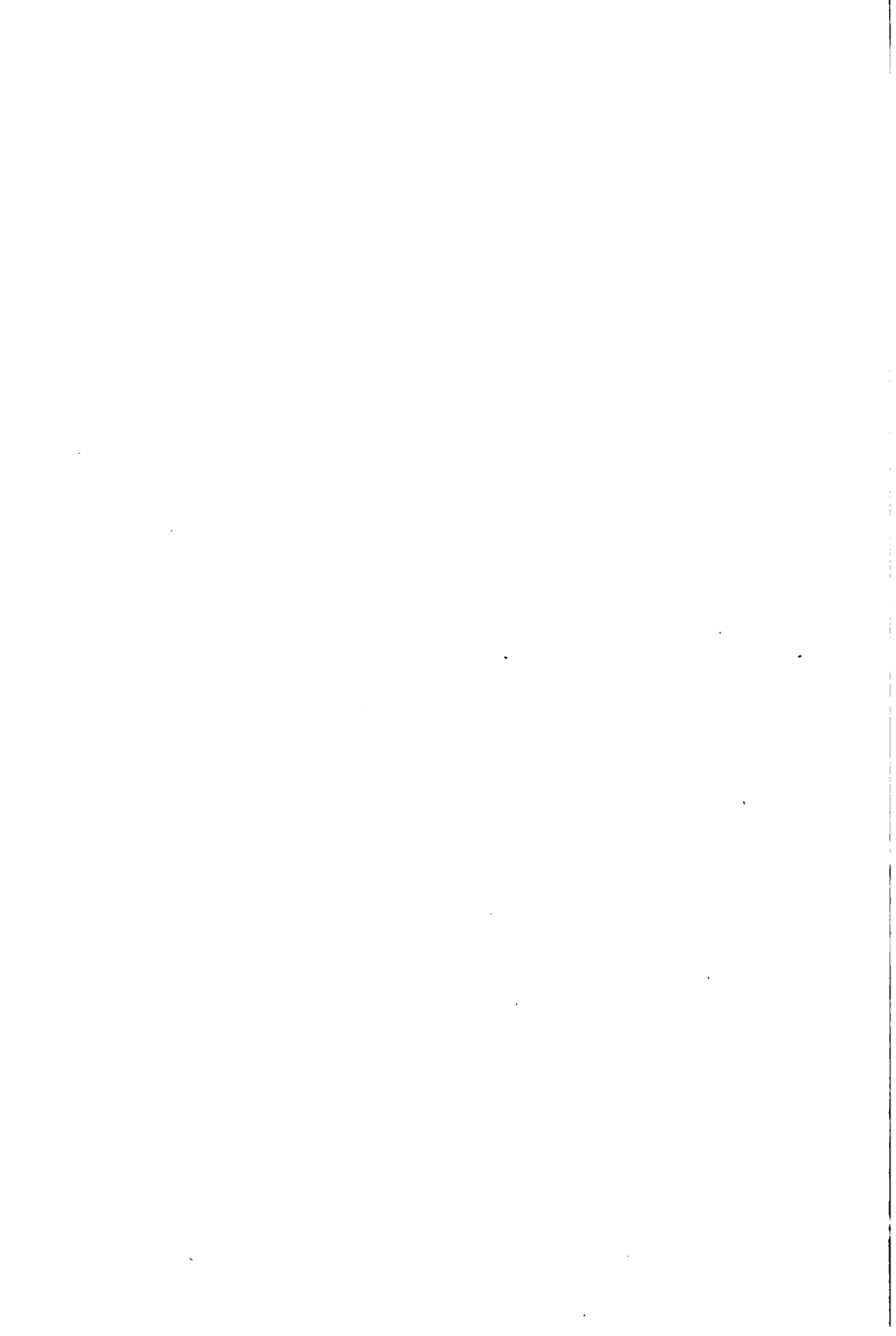
At a time when a great part of Europe is fast drifting towards economic collapse, Denmark offers a demonstration of how a nation can come back to life, of how agriculture can

be made both profitable and attractive, of how the people can be made contented, and how the hopelessness and poverty of the world can be corrected by orderly political action.

Denmark is a demonstration of the possibilities of democracy, industrial as well as political. It is a demonstration of the resourcefulness of the average man and especially of the man farthest down. For the prosperity, the culture, the wise legislation, and the co-operative movement are the achievement of the common people.

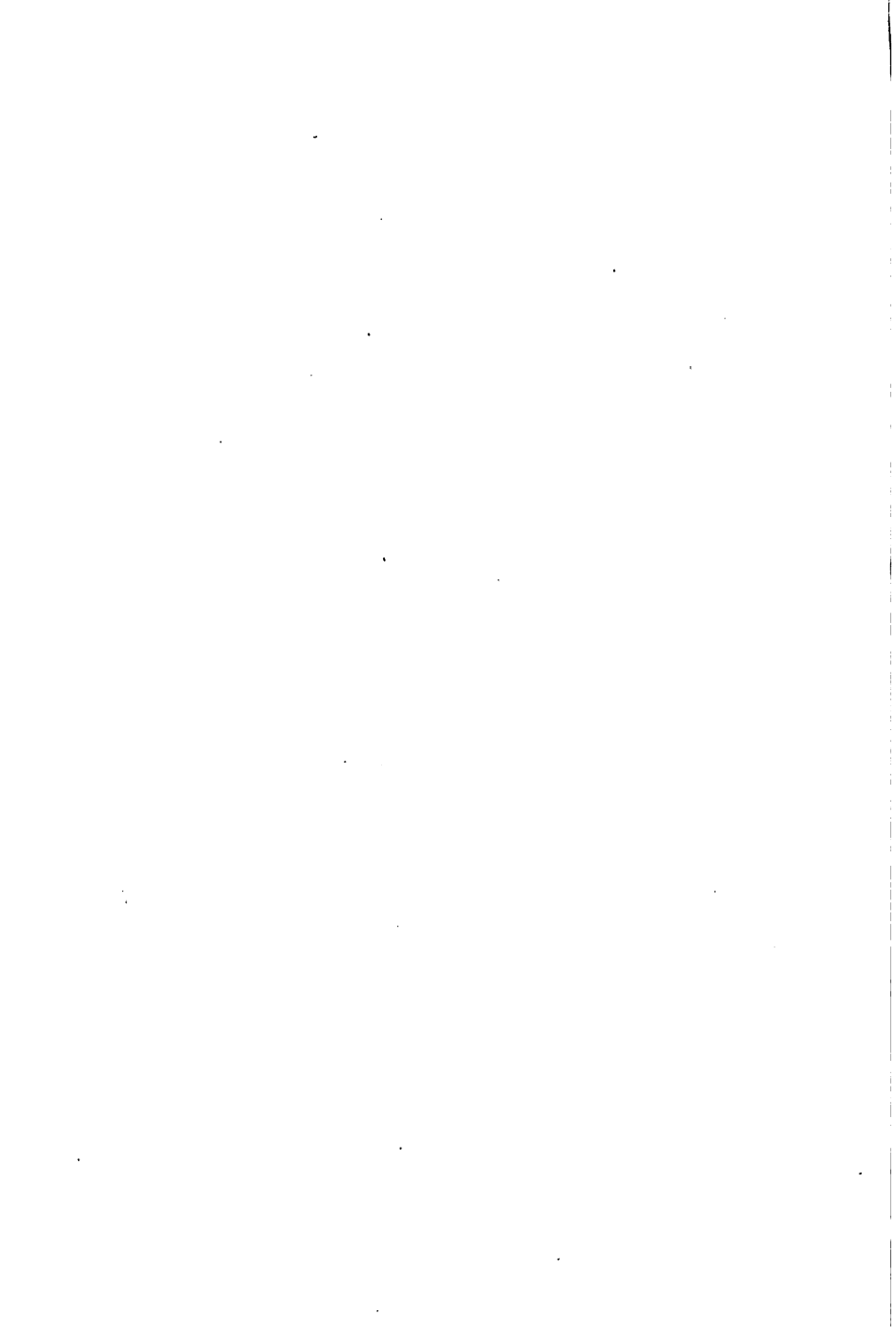
FREDERIC C. HOWE.

New York,
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DENMARK

CHAPTER I

IMPRESSIONS

DENMARK is a little country. It is about twice the size of Massachusetts, less than one-third the size of New York and one-fourth the size of Iowa. The population is about the same as that of New Jersey—3,049,000—of which 47 per cent live in towns and 53 per cent in the country. The total area is 15,586 square miles. This is slightly more than the area of Holland. It is about 4,000 square miles more than the area of Belgium and about the same as the area of Switzerland. It would take nearly twenty Denmarks to cover the state of Texas.¹

The population is relatively dense, being 195.31 per square mile. As compared with other European countries, we find 191.19 persons per square mile in France, and 236.97 in Switzerland, while Belgium has 671.69 persons

¹ The above figures do not include North Sleswig.

ALPHABETICALLY DENMARK

per mile. While Denmark is an agricultural state, only 1,003,716 persons or 36.4 per cent of the population were engaged in agriculture, forestry and fishery in 1911.

Denmark consists of the peninsula of Jutland which obtrudes like a spike from the western corner of Germany and divides the North Sea from the Baltic. In addition there are three large and three small islands. Prior to 1864 Denmark included Sleswig and Holstein, two provinces to the south which were absorbed by Prussia and Austria in that year. Of this territory North Sleswig has just been returned to Denmark after a plebiscite in which three-fourths of the inhabitants voted for reunion with Denmark. North Sleswig has an area of 1,507 square miles, is one and one-half the size of Rhode Island and has a population of 170,000. The new "Greater Denmark" has a total area of 17,118 miles and a population of about 3,220,000.

Denmark's colonial possessions formerly consisted of Greenland, Iceland and the Danish West Indies. The latter were sold to the United States in 1916. Iceland (area 40,000 square miles, population 90,000) which had enjoyed home rule since 1874 was in 1918 vol-

untarily recognized as a free and independent nation by Denmark, the two countries only being united by the same king. Greenland is now Denmark's only colony. The Faroe Islands which also belong to Denmark are not a colony, but a part of the kingdom.

In the ten years before the war the population increased by 12.5 per cent, while that of England increased by 8.8 per cent. The annual birth rate is approximately 31.2 per thousand. In England it is 26.1. The death rate is 19.2 per thousand, as compared with 15.7 in England. Tuberculosis is the most prevalent disease.

There are only four towns of any size in the country—Copenhagen (including Frederiksberg) with a population of 575,000; Aarhus, 65,000; Aalborg, 35,000; and Odense, 40,000.

The country is low and for the most part flat. As compared with England, it is somewhat warmer in summer but colder in winter. There are heavy rain storms during a considerable portion of the year. The soil is far from fertile and up to a short time ago a large part of the peninsula of Jutland was barren heath of little value for agricultural purposes. Much of the waste lands have since been reclaimed and

brought under culture by chemical treatment of the soil. There are no considerable rivers and few forests, only 8.3 per cent of the area being covered by trees.

THE PEOPLE. The Danish people are related to the Swedes, the Norwegians and the English. In parts of the country the dialect spoken is understandable by an Englishman. The people are part of the old Norse stock. Blue eyes and blond hair and complexions predominate. The religion is Protestant, the state church being Lutheran, to which nearly the whole population nominally belongs. The people are easy going and light hearted, though somewhat given to melancholy. They are generous, hospitable and good humored. They work hard, have a wonderful courage and tenacity of purpose, and great political aptitude, initiative and self-confidence. The life of Copenhagen is leisurely and gay and not dissimilar to the life of the greater capitals of the continent. I have never been in a country in which the people seem more free from care and in which the business men and workers have less concern for the morrow. The cafés in Copenhagen are crowded at all hours of the day. There are splendid art col-

lections, while the opera maintains a ballet second only to that of Petrograd.

CASTE. There is little caste in Denmark. Birth or wealth count for little. Society is open to talent of any kind. There is little ostentation or display. The court life is simple. Members of the royal family move among the people in a democratic way. Not that the king is ignored. He is a very democratic minded and popular monarch, but the life of the people is so pervaded with democracy that display of any kind seems out of place. Hereditary titles are no longer bestowed by the Court, and the old nobility has ceased to exercise the political powers which obtained in other monarchical nations of Europe. The king advises rather than commands in legislation.

FOREIGN COMMENT ON THE DANE. "National well-being is as common in Denmark as education," says Dr. Maurice F. Egan, the former American Ambassador. "Her people leave the game of international politics to others, but on the other hand they have a fine capacity for home activity and communal self-government, by which all the powers in a district work together for the development of local resources

and are ready to adapt themselves to changing circumstances."

A British observer says: "The National characteristics of the Danish people are generosity, slowness of speech; a good humor which has become proverbial; determination almost amounting to truculence, especially in the case of the peasants; an immense capacity for hard work and sustained effort; extreme democratic principles; a strange fatalism which is a mixture of skepticism and hesitation; and finally a complete and wonderful fearlessness in throwing over traditions and prejudices." As to the great Danes, those in power and authority, "they are neither great optimists nor extravagant idealists. Their dreams are of a very practical nature and there is about them a certain atmosphere of clean and sane humanitarianism which is very attractive. They seem to carry out their reforms in a spirit of common sense which is almost scientific. Perhaps this is because their temperament is genuinely, rather than sentimentally, democratic. They are a balanced people, their democracy is broad and practical, and the type is probably nearer English than any other on the continent."¹

¹ *Denmark and the Danes*, Harvey and Rupien, p. 26.

INTELLIGENCE. The average peasant is informed in a great variety of subjects. He has well-defined notions on political questions and a remedy at hand for most of them. I have heard it said that the average peasant would go without his breakfast rather than his daily paper, and would walk for miles through the snow to attend a lecture. He is interested in politics, in history, in the traditions of his country. He is interested most of all in agriculture, in knowledge of the soil and of animals. He reads rather widely, attends conventions and meetings of various kinds, and is identified with circles maintained in the schools and community halls by the state or one of the many organizations of which he is a member.

This is the estimate of the Danish peasant by scores of observers. Professor Cooley, writing of the culture of the Danish peasant, in the *Educational Review*, says: "The Danish peasant is the best informed in the world. More and more class distinction is disappearing among them. They have lost the suspicious reserve of the usual peasant class. And not only among the peasants but among the working class there is not that chasm between the educated and the uneducated that is found among

the other countries of the world.”¹ Yet fifty years ago the Dane was no different from the peasants of the other countries of Europe.

Copenhagen, the capital, presents an appearance of general well-being among all classes. Wages are relatively high. There is little of the submerged poverty so much in evidence in other large cities. Everywhere too there is evidence of widespread intelligence. Illiteracy is almost non-existent. In the country as a whole it is but .002 per cent of the adult population.

SOCIAL CUSTOMS AND DOMESTIC RELATIONS.
The Danes are very liberal-minded in matters related to marriage, divorce, the regulation of the social evil, in sex hygiene and matters involving personal liberty. Divorce is easy to obtain. If both parties request it no misconduct on either side need be proved. There are a number of causes for judicial divorce, but divorces can be secured by agreement of the parties without other allegations. All that is required is that the contracting parties should appear before the proper magistrate. The judge frequently aims to bring about a reconciliation, but if reconciliation is impossible a

¹ *Educational Review*, December, 1914.

decree of separation is ordered which becomes absolute at the end of three years, during which period neither of the parties can remarry. Mere incompatibility of temperament is sufficient cause of divorce. As a result there are no notorious trials, no baring of the personal lives of the parties and none of that sensational publicity that attaches to divorce in the United States and England. Apparently Denmark believes that liberty is preferable to either state or religious supervision of marital relations.

Nothing is more difficult to appraise than the sex morality of a people. The number of illegitimate children in Copenhagen is unusually high, being about one in every four. The figures for the country as a whole is one out of nine. This would indicate very lax sex relations. But these conditions have long prevailed. There is little vulgar prostitution in evidence in the city, although there is very little official interference with it. Up to a short time ago, Copenhagen licensed and inspected prostitutes, as did other cities on the continent. In 1906 the system of licensing and inspection was abolished and prostitution was no longer recognized by the authorities. The social evil is treated more as a hygienic problem than one of morals.

Women have recently been granted the ballot and have been admitted to office on the same basis as men, and their status seems to be one of complete equality in all the relations of life.

The temperance movement has made great progress in recent years and abstinence societies now number over 200,000 members. The movement is not the result of legal prohibition, nor is it religious in character. It is rather the result of scientific and hygienic agitation. A distinction is drawn between inns and saloons. Licenses are granted to saloons or public houses in the country districts by the county council, provided the council or majority of the inhabitants are not opposed. As a rule one public house is allowed for 350 people. Licensed places must close at ten or eleven o'clock in the evening, except in Copenhagen, where they may remain open until one o'clock.

CHAPTER II

FROM THE ASHES

DENMARK was a state of substantial importance in the affairs of Europe prior to the Napoleonic wars. Up to 1814 Norway formed part of the kingdom as did Sleswig and Holstein up to 1864. Holding a strategic position at the entrance to the Baltic and possessed of a substantial navy and maritime establishment, the friendship of Denmark was sought by other powers, none of which, with the exception of France and England, had risen to anything like their present importance.

During the first half of the nineteenth century Denmark was reduced to one of the smallest countries of Europe. The nation sided with Napoleon and lost heavily as a consequence of his overthrow. Her fleet was destroyed in 1807 at the Battle of Copenhagen. By the Treaty of Kiel in 1814, Norway was taken from Denmark and united with Sweden, although by language and political affiliations Norway is more closely identified with Denmark than with Sweden. Norway was given to Sweden as compensation

for Finland, which Sweden was forced to yield to Russia.

These territorial losses reduced the population by one-third. The Napoleonic wars ruined her trade. Her debt was heavy. The government was an absolute monarchy or "enlightened" despotism under Frederick VI (1808-1839), while the landed nobility filled all of the higher offices in the state. The peasants were in a state of semi-serfdom as they were all over Europe, although the Scandinavian countries have always contained a considerable body of free landed proprietors.

In 1864 Sleswig-Holstein were seized by Prussia and Austria. They were later annexed by Prussia. These were the choicest and richest of the Danish provinces. During a great part of the nineteenth century there were continuous internal struggles between the king and the landed and commercial classes over a more liberal constitution. The liberal forces, however, were thwarted, and it was not until late in the nineteenth century that the farmers acquired control of the government.

INDUSTRIAL DEPRESSION. Economic misfortunes increased the country's depression.

About the middle of the century America, Russia and Argentina began to compete with the small-scale production of Denmark. Against this competition the Dane was unable to make any headway. He could not produce wheat in competition with the virgin soil of these new countries. In addition Germany enacted a protective tariff law which shut out the farm products of Denmark. And Germany had always been one of her best customers.

The country reached its lowest ebb about 1870. There seemed to be no escape from the encroachments of the greater powers on the one hand and the economic competition of the newer countries on the other. "The population," says J. J. Marais, the biographer of Grundtvig, "was slowly sinking into despair through economic as well as political disaster. Markets were closed. America from across the sea had become a competitor not to be despised. Germany had closed its door by a protective tariff. Floods, droughts, epidemics among cattle, plagues of all kinds swept across the country from time to time. What was to be done? How were the peasants to be heartened and kept to the soil? The Danes were inclined to 'Schwermunt' (melancholy).

Were they to go under and become nationally and economically bankrupt? Were they to drift into towns and become hopelessly lost in purse and intelligence and more or less in spirituality?"¹

Denmark received but little help from the king or the aristocracy. Nor did the professional classes aid materially in the recovery. The awakening came from the people themselves. It was the peasants who slowly found a way out of the problems of the country. Sympathetic observers of revolutionary Russia have remarked on the number of men of talent who forced their way up from the peasant population in a few months' time. They developed executive and administrative ability. America herself is a demonstration of the resourcefulness of the ordinary man if his abilities are unleashed and he is given an opportunity to express his power. For America was settled by the poor of Europe, for the most part by the very poor. Encouraged by freedom and aided still more by economic opportunity, talent and ability sprang from the dispossessed of Europe under the inspiration of a new land.

¹ *Bishop Grundtvig and the People's High Schools in Denmark.*

THE TIDE TURNS. The tide began to turn in the seventies. Not by chance but by the self-reliance of the people. "Outward loss inward gain," became the watchword. World politics and participation in the affairs of Europe were discarded and left to others. The army and navy were reduced to a police force. A remarkable enthusiasm for education was awakened. Economic necessity as well as political weakness determined the people in this policy of internal development.

The Dane refused to emigrate as did the peasants of other countries. He did not throw up his hands and convert his wheat fields into pastures. Nor did he go to parliament and demand a protective tariff to shield him from the competition of other countries. One of the most characteristic qualities of the Dane is his self-reliance. And he is a confirmed free trader.

THE NEW AGRICULTURE. The Danish farmers turned to intensive small scale cultivation. For wheat growing they substituted dairying and butter-making. They went into the raising of hogs. They improved the grade of cattle and created a market for their produce by its superiority. They reduced agriculture to a sci-

ence. Through the most persevering attention to details and the establishment of their own marketing and buying agencies they gradually established an uncontested place in the markets of England and Germany. In forty years' time Denmark has become in many ways the most contented state in the world. Education is a universal possession. The comforts and conveniences of life are widely distributed. The feudal system of land tenure has disappeared and along with it the political power of the old aristocracy. All of the important agencies of buying and selling are in the hands of the peasants, while parliament is a very democratic body and the ruling classes are the peasants and the working classes.

The change in the style of farming began about 1875. The peasants found that England was buying her butter, eggs and bacon from Ireland. They sent a commission to the latter country to study how the Irish produced these things. Then they set to work to win the British markets. Soon Denmark was producing better bacon, better butter, better eggs than the Irish. In recent years no less than four special commissions have been sent to Denmark from Ireland and Scotland to find out how it is done.

EXPORT TRADE. Before the war Denmark was exporting food to England, Germany, South America and even to the Philippines. The following statistics indicate the growth of the export business. Except for the year 1908, the average is for a five-year period.

	Average export 1857-1879	Average 1895-1899	Exports for 1908
Horses	\$1,750,000	\$2,909,000	\$3,200,000
Cattle	5,250,000	3,000,000	7,000,000
Bacon and lard ...	750,000	12,000,000	28,400,000
Butter	6,500,000	30,000,000	49,150,000
Eggs	250,000	3,000,000	7,400,000
Total	\$14,500,000	\$50,909,000	\$95,150,000

The exports in quantities from 1881 to 1915, by five-year averages, are as follows:

	Butter Tons Yearly Average	Bacon and Ham Tons Yearly Average	Eggs 1000 great hundreds Yearly Average
1881-1885	15,630	7,940	478
1891-1895	48,070	41,270	1,243
1901-1905	76,044	76,390	3,531
1911-1915	99,420	128,840	3,596

From 1881 to 1912 the value of the exports of farm products increased from \$25,500,000 to \$150,000,000. Most of the horses and cattle went to Germany. The bulk of the other exports went to England. The annual shipments to England alone amounted to nearly \$90,000,-

000 before the war of which more than one-half was in butter, and the balance was in bacon and in eggs. Denmark supplies Great Britain with these foods in spite of the greater area, higher fertility and greater natural advantages of the latter country.

The total export trade of Denmark is approximately \$600 for every farm, of which 133,000 of the 250,000 are of less than 13½ acres in extent. The export business alone amounts to \$17.00 per acre in addition to the domestic consumption, as well as the support of the farmer himself.

The agricultural prosperity of Denmark is further indicated by the increase in live stock upon the farms. In 1881 there were 1,470,000 cattle. In 1914 the number had increased to 2,463,000. During the same period the number of hogs increased from 527,000 to 2,497,000.

The average yield of butter of all Danish cows in 1864 was 80 pounds, in 1887 it was 116 pounds, in 1908, 220 pounds.¹

This is merely the balance sheet of the country as expressed in export trade. It is an indication of the rapid economic revival of a

¹ *Co-operation in Danish Agriculture*, Harald Faber, pp. 161-170.

country by no means richly endowed and reduced by competition and adverse tariff legislation to a condition of despair. A large foreign trade does not necessarily mean prosperity to a people, but increasing wealth production in Denmark has been accompanied with an increase in the well-being of all classes. Prosperity is widely distributed. The worker in the city and the farmer in the country have received the benefit of these gains. Wealth is more equitably divided than in any other country in Europe; possibly more equitably than in any other country in the world.

CHAPTER III

A PEACEFUL REVOLUTION

MEASURED by the well-being of the people Denmark is one of the wealthiest countries in the world. There is a telephone in nearly every good-sized farm and upon all the cooperative premises. Farm machinery is widely used. The deposits in the savings banks are high. The number of depositors is 51 out of every 100. Seventy-eight per cent of the savings banks are in rural districts. They are largely cooperative and are managed by the farmers themselves. Manufacturing is of recent origin and minor importance. Farming is the all-important industry and the state is consciously organized to promote the well-being of the farmer.

The most distinguishing thing about Danish agriculture is the large number of small farms and the high state of cultivation that prevails. There are 250,000 farms in the country, of which 180,000 are of less than 40 acres, while 133,000 are of less than 13½ acres in extent. There

are 68,000 farms less than $1\frac{1}{2}$ acres. Like France, Holland and Switzerland, Denmark is a country of intensive farming and of widely distributed farm ownership. The old feudal system which still prevails in England, in parts of Germany and Italy, has been almost completely destroyed and the great estates distributed among the peasants.

In spite of the wide subdivision of the land, the Danish farmer is prosperous. He makes a comfortable living on a very small acreage. The average farm produces \$600 a year for export, in addition to household use and domestic consumption. The annual exports of farm produce amount to \$150,000,000. This indicates the possibilities of farming when the economic foundations are right and the farmer is protected from exploitation and is aided by the state.

THE AWAKENING. A little more than a generation ago, conditions in Denmark were not dissimilar to the conditions in a great part of Europe today. The wheat fields of America and the discriminatory legislation of Germany were destroying Danish agriculture. The Danish farmer could not compete with the virgin

soil of newer countries. The country was in despair.

A revival began about 1880 when the farmers entered politics. Cooperative agencies were organized. They grew with great rapidity and were almost universally successful. A new type of education was introduced which gave a cultural interest to farming. During the intervening years, the prosperity of the country has increased by leaps and bounds.

The peasants' party grew in political power. It has placed on the statute books a series of laws of the most progressive sort. Farm tenancy was seen to be bad. It was bad for the tenant and bad for the country. It led to indifferent cultivation. It pauperized the tenant and left him in ignorance. So the farmers set to work to be rid of landlordism. They found that the tenant could not escape from his position unaided, for the landlords wanted to keep him as a tenant. The tenant could buy a farm of his own only on credit and the landowners and employers controlled the banks and opposed such purchases. A law was enacted by which the state itself became the banker. It provided the tenant and the agricultural worker with money with which to buy a farm. The would-be

farmer was required to provide one-tenth of the cost. The state provided the balance and gave the purchaser a long term of years in which to repay the debt. As a result of this legislation tenancy has rapidly disappeared.

The railroads are operated with the same ends in view. Not with an eye for making money but with the aim of hauling freight and passengers as cheaply as possible. Agriculture is built up in this way. Waste lands were opened up by the building of new lines. This developed new farms which in turn became a source of wealth to the state. Passenger fares were reduced to encourage travel, while freight rates and classifications were worked out so as to enable the farmer to ship his produce to England and Germany as advantageously as possible.

DEMOCRATIZING THE STATE. As a result of these and other agencies, Denmark has developed a unique kind of civilization. Poverty has been greatly reduced. The worker has been protected by various kinds of insurance and pensions. He too has been educated. The state is an agency for promoting the well-being of the people. There are no privileges or they are few

and unimportant. The land has been broken up into small holdings; the railroads are operated by the state; while the control of banking and credit is largely in the hands of co-operative societies. The same is true of other activities. The farmer has become a business man, a banker, an insurance agent, and a politician as well. This has not produced an unreliable people. The reverse is true. The Dane is about the most self-reliant person in the world. And while he uses the state in many ways, he looks upon it as a means of securing the widest possible liberty in his industrial relation. The Dane wants a free field and no favors. And he has extended these rights to others. He believes in free trade. He has imposed taxes on wealth and on opportunity, rather than on thrift and consumption. He insists that the land shall be used by those best fitted to use it and that agriculture is best promoted through ownership, rather than through tenancy.

Denmark has passed through a peaceful revolution in a generation's time. The people have been lifted to a high degree of culture and prosperity. This is the comment of all observers. "Denmark," says an English writer, "during

the last half century, has passed through the throes of a wonderful regeneration. Her peasantry has been emancipated from a condition of veritable serfdom; her education has been liberalized; her land system, agriculture and finance have been reorganized and brought to a pitch of excellence which is the envy of many a greater, less perfectly developed, state.”¹

THE GROWTH OF SOCIALISM. Along with the emancipation of the serfs and the political ascendancy of the peasants, Socialism has developed in the cities and towns and among the agricultural workers. The Socialist-Radical Party is now the second largest party in the state. The socialists are for the most part of the moderate, evolutionary type. They co-operate with other radical parties and seek to change the structure of the state by impressing their views on the majority of the people. They participate with the peasants and agricultural workers in the government, although there is a rather marked cleavage between the socialists and the well-to-do farmers who have been the ruling class for a generation. The socialists have declared for a Danish republic. They have

¹ *Denmark and the Danes*, Harvey and Rupien, Foreword.

been in conflict with the king and the government. But they have impressed themselves upon legislation and have greatly improved the status and condition of the working classes.¹

Political democracy is almost complete in Denmark. It has justified itself. The achievements of the peasants suggest that democracy is possibly the most efficient of all forms of government if the people are unleashed and permitted to work freely through simple and easily understood machinery. Denmark has demonstrated that government can be used to end special privileges and bring in a substantial approach to equality of opportunity. Even the man farthest down, the *husmaend* or agricultural worker, has shown real political aptitude and a class consciousness as to economic problems.

It is not to be inferred that Denmark is a little paradise or that there is no poverty in the country. Nearly one-third of the population falls into the employee class, and ten per cent are still tenants. Yet the farm worker may become an owner; so may the tenant and the artisan. The well-being of the people is not

¹ The Socialist Party polled in the last election, September 21, 1920, 390,000 votes, compared with 410,000 for the Left Party, 216,000 for the Conservative Party, 147,000 for the Radical Left Party and 27,000 for the Tradesmen's Party.

to be measured by the wealth of the individual man so much as by the comforts, conveniences and opportunities which he enjoys. For a man may have a relatively small income, but if he is able to buy cheaply and sell advantageously, if he is protected from exploitation, if he is guarded in old age and sickness by insurance and given an opportunity to rise by his efforts, he may be better off than the man with a much higher money income in another country. This is the kind of well-being that the Dane enjoys. The state is *his* state, the railways are *his* railways, education is designed to make life fuller and richer, while transportation, credit and other services are organized to serve the average man. Denmark is a nation of workers, of middle-class people, and the life of the country is adjusted with the interest of these classes in view. Multimillionaires do not exist. They do not seem to be necessary. The initiative of the people has been awakened by other rewards than great wealth. And it finds ample opportunity to play through the thousands of co-operative societies, the educational institutions and the political activities in which the farmer and the worker take an active part.

Democracy in Denmark is far more than a

form of government. It is an economic and industrial thing. It is a people, organized to use the government for the benefit of the people. It is economic rather than political democracy that distinguishes this little state from the other countries of the world.

CHAPTER IV

COOPERATIVE MOVEMENT

THE cooperative movement is the thing for which Denmark is most widely known. It is the most pervasive thing in the country. The Danish farmer performs for himself almost all of the functions that in other countries are performed by capitalistic agencies. He makes his own butter and cheese. He kills and sells his own cattle and hogs. He collects his own eggs. He buys food for his cattle in distant markets, as well as agricultural machinery and the supplies of his household. He does his own banking and establishes his own credit. He insures his house and his live stock. He maintains breeding societies of pedigreed cattle and horses. He buys at wholesale and sells to himself at retail. There are 2,000 cooperative retail stores in the country. And these cooperative stores in turn own factories, warehouses, big distributing agencies in Copenhagen and elsewhere. The Danish farmer is almost as self-contained as was his ancestor of two centuries ago.

Through cooperation the Danish farmer has become his own capitalist. He performs the functions of entrepreneur. He does this not through state socialism but through more than 4,000 cooperative societies, which he himself owns.

The Danish farmer labored under conditions similar to those of the United States up to fifty years ago. There, as in this country, agriculture was enveloped by middlemen who discouraged and often impoverished the farmer on the one hand, and exploited the consumer on the other. The farmer had to market through these agencies. He had no other alternative.

The American farmer produces for an unknown market. He has to sell through a hostile agency interested in buying at the lowest possible price. This is true of almost every product of the farm. It is true of wheat and of cattle. It is true of corn and oats. It is true of truck farmers, of egg and poultry raisers and of fruit growers as well. Food passes through the hands of a series of middlemen whose power is maintained through their identity with the railroads, terminals, banks and especially the packers of Chicago and the West which control

slaughtering, cold storage warehouses and terminal facilities. Even the banks are involved in this system. They too are owned or controlled by the packing syndicate and middlemen. These middlemen and speculators fix the prices which the farmer receives; they then fix the prices which the consumer pays.

In a lesser degree and on a much smaller scale this was the condition that prevailed in Denmark up to about 1880. And agriculture was suffering in consequence. The Danish farmer was in a bad way. He was not only suffering from the extortion of the distributing agencies of his own country, he was being ground out by the competition of the large scale agriculture of America and the prohibitive tariff legislation of Germany.

EXTENT OF COOPERATIVE MOVEMENT. Co-operation has changed all this in forty years' time. Today 250,000 farmers representing 40 per cent of the population, are organized into 4,000 cooperative agencies, which run and ramify into every activity. Through these agencies almost every need of the farmer is supplied.

The strength of the cooperative movement in production alone, and the great variety of societies which the farmer has developed, is indicated by the following table. The statistics are for the year 1915. This does not include the Rochdale consumers societies which are widely developed.

Societies	Number of Societies	Money Turnover in year 1915
Cooperative dairies	1,203	\$105,000,000
Butter export	80,050,000
Slaughterhouses and bacon factories	44	72,200,000
Cooperative egg export	550	2,200,000

In addition to these producing and selling societies there are fifteen societies for the purchase of goods, with 70,000 members, 690 central societies and 1,700 breeding societies. The total net turnover of all the cooperative societies of the country is \$250,000,000.

There are thirteen credit associations with loans outstanding to the extent of \$525,000,000 and nine hypothec societies with loans to the extent of \$36,000,000. These are cooperative credit or loan societies.

The number of members in the larger cooperative societies in 1916 was approximately as follows:

Cooperative Distributive Societies	244,000
Cooperative Dairy Societies	190,000
Cooperative Bacon Factories	135,000
Cooperative Egg Export Societies	45,000
Cooperative Manure Purchasing Societies	70,000
Cooperative Feeding Stuff Society, Jutland only	44,000
Cooperative Breeding Societies	23,000
Control Societies	16,000

“The wonderful system of cooperation in Danish agriculture,” says Mr. Harald Faber, “in the highly developed form in which we find it now, embraces almost every branch of agriculture and agricultural industry, and has its ramifications in practically every parish in Denmark. It has built up an organization so complete that all the threads converge to one point from which the joint action of the whole system is in a certain measure controlled. The cooperative movement in Danish agriculture was not started by a circle of philanthropists or even by the landlords for the purpose of benefiting the practical farmers. It has grown up locally and gradually among the peasants in the villages, and takes its root in the feeling of solidarity and a sense of the benefits of mutual help among the peasants which can be traced back to remote centuries.”¹

In addition to the societies for the manufac-

¹ *Co-operation in Danish Agriculture*, Faber, p. ix.

ture and sale of farm produce and the control of production, the cooperative stores did a business in 1915 of \$28,500,000 and had a membership of 245,000 persons.

DAIRYING. Universal as the cooperative movement is, it is but forty years old. It has spread from small beginnings, as it did in Great Britain, until it has become the most pervasive institution in the country. It is woven into the texture of agriculture and is the activity around about which the interests, economic, political and social, of 250,000 farmers center. Nearly every interest of the farmer revolves about the cooperative movement. The prices he pays, the income he receives, his standard of living, his political action, are all shaped by his association with other farmers and the community of interest which has come to exist through the many activities of the cooperative societies.

The movement began with dairying. Prior to 1881, the Danish farmer was almost as individualistic in his business dealings as is the American farmer today. Each peasant made his own butter. He sold it as best he could. He had to rely on the food traders who canvassed the country. Or else he sold in the

nearby town. The process was costly; the returns received were uncertain. The small farmer, of whom there were many thousands, was at a great disadvantage. For he had to find his own market and battle for his own interests.

In 1881 a group of farmers got together and decided to organize a cooperative dairy of their own. They worked out a very simple plan of organization, which plan has been followed ever since. The members bound themselves to deliver all their milk to their own dairy except such as was used at home. They bound themselves to be individually responsible for any debts that might be incurred. If the dairy made any profits they were to be divided among the members in proportion to the amount of milk each delivered.

SUCCESS OF THE COOPERATIVE DAIRY. The cooperative dairy was an immediate success. It produced better butter than did the individual farmer. It made it possible to standardize output, and in time to demand better prices. From this small beginning the movement spread very rapidly to other districts. From 1882 to 1888 cooperative dairies were built all over the coun-

✓ try. By 1914 the total number of dairies had risen to 1,503, of which 1,168 were cooperative. Over one-half of these cooperative dairies were built before 1890.

The dairy awakened the farmers to the scientific possibilities of dairying and of cattle breeding. They took care to deliver milk in good condition and to see that their neighbors did the same. When all of the farmers of a district were members, a single van collected the milk from every farm. This reduced the cost of cartage. Among the economies was the skimmed milk which they saved for themselves. They used it to feed their hogs. This stimulated the bacon industry, and brought about the opening of cooperative slaughterhouses. Technical improvements were introduced that improved both the quantity and the quality of the butter. Soon the cooperative dairy butter surpassed the celebrated "Estate Butter" for which Denmark had been famous.

The cooperative dairies were of especial value to the small farmer. The man with one or two cows now had a sure market. This contributed to the development of small holdings. Today 90 per cent of the farmers are members of cooperative dairies. The number of cows kept on

the average farm of seventy acres has been increased from eight to eleven, while the yield of milk per cow and the percentage of fat realized from the milk has also increased. The number of cows in Denmark in 1881 was 899,000. By 1914 the number had increased to 1,310,000. The export of butter increased from an average of 15,630 tons 1881 to 1885 to an average of 99,420 tons 1911 to 1915.

More than three-quarters of the milk produced in Denmark is handled by the cooperative dairies, while 86 per cent of the properties which have cows, including 83 per cent of the total number of cows in the country, deal with these dairies. Those property owners who remain aloof are chiefly the owners of large estates on the smaller islands.

The cooperative dairy is putting the private dairy out of business. Between 1900 and 1914 the private dairies decreased in number from 511 to 212 while the cooperative dairies increased from 1,029 to 1,167.

GAINS TO THE FARMER. The advantages of the cooperative dairy to the farmer in addition to the economies in charges, are many. It secures cheaper transportation rates, scientific

packing and the regular despatch of a uniform quality and quantity, which can only be achieved through large scale organization. Perfect packing is an absolute necessity in preserving the excellence of butter. When the dairies are united into federations for export, as is the case in Denmark, the individual farmer, however small, is provided with the best possible facilities for marketing.

By affiliating himself with a dairy the farmer derives certain other benefits. He has a regular weekly settlement from the dairy which handles his milk and he contracts no bad debts. He is not compelled to be a merchant as well as a farmer. Furthermore he receives a share in the profits of distribution and thus saves middlemen's profits.

HOW DAIRIES ARE ORGANIZED. The usual method of establishing a dairy is for a certain number of farmers in a locality to get together, and borrow the necessary capital from a savings bank. All the dairies work with unlimited liability. The original funds for construction purposes are repaid in installments, while the working capital is supplied by a guarantee of a few dollars per cow, paid by each member. When

the original loan is paid off, as it must be every ten or fifteen years, a new loan is taken out from the bank at the same rate of interest and is charged upon the working expenses of the society, including both original and new members. The money thus obtained is handed over to the original members and then all alike proceed to pay off the new loan, and so on through an indefinite series of loans and repayments. The savings banks are thus interested directly in the development of the dairies.¹

Accounts are settled every week or two, and in such a way that after deducting the costs of production the members are paid the full price for the milk which they furnish, while on the other hand, the farmers buy the skim milk and the buttermilk at fixed prices, so that the members are paid the money due to them. The sums deducted under the head of costs of production are ample to cover a margin of loss, and thus an important amount is saved in the course of a year, which is finally turned over to the members as a dividend which is divided among them in proportion to the amount of milk furnished by each. In 1909 this sum amounted to 34 million kroner.

¹ *Cooperation at Home and Abroad*, C. R. Ray, p. 169.

The cooperative dairies are governed in a very democratic way. In most dairies each member has one vote, whatever may be the number of cows he possesses. Only in 6 per cent of the creameries have the richer farmers greater influence. The farmers elect the board of directors from among their own number and appoint a dairy manager, who is always an expert.

The local cooperatives are united into central federations with various objects, which aim at developing the dairying industry by expositions, conferences and collecting material to spread a knowledge of dairy economy. In 1909 there were 21 creamery unions for this purpose. The Society for Collective Purchase of Danish Creameries, established in 1901 is another co-operative society which procures for the dairies all machinery, etc. at the lowest possible prices.

The constitution of the dairy always provides that the members must for a fixed period—ten or fifteen years—bring all their milk except what they need for household use, to the co-operative dairy. Heavy fines are imposed for infractions of this rule. Strict rules are laid down relative to proper feeding of the cows, sanitary milking, etc.

About the only thing the government does is to look to the maintenance of the standard of butter. Butter for export must have no more than 16 per cent of water and no other ingredient than common salt may be used as a preservative. Annual butter exhibits are also held under the patronage and with the financial support of the state.

INCREASE IN BUSINESS. The cooperative dairy has been of greatest value to the small farmer. According to Mr. Faber: "there are more than 70,000 farms in their possession, nearly all freehold, occupying over 70 per cent of the cultivated area. Of these yeoman farmers nearly 90 per cent are members of a cooperative dairy society. In former times, that is, before 1842, an average peasant farm of about 70 acres would keep normally eight cows. The yield of these was hardly above 380 gallons of milk or 110 lbs. of butter. For this the farmer would get about 5 d. (10 cents) per lb. below the price of 'estate butter'. The cooperative dairies changed all this. The number of cows was increased, and their quality improved. Eleven cows would be the average number on a farm of 70 acres; their milk yield was in-

creased to 550 gallons with 200 lbs. of butter. The quantity of butter produced per farm increased from 880 lbs. to 2,200 lbs., and each pound realized full market price instead of 5 pence below.

“The number of cows in Denmark in 1881 was 899,000. By 1914 the number had increased to 1,310,000. The yield of milk per cow and the percentage of fat in the milk were increased, and the fat was more completely utilized for butter-making. At the same time the increased consumption of margarine set a corresponding quantity of butter free for export. From all this has resulted a rapidly increased export of butter from Denmark, as is shown by the following table.”¹

Export of Danish Butter		Tons
1881-1885		15,630
1891-1895		48,070
1901-1905		76,044
1911-1915		99,420

SLAUGHTERING AND THE BACON INDUSTRY. The bacon industry was stimulated by the use of skimmed milk and buttermilk for the feeding of hogs. This in turn led to the building of co-operative slaughterhouses and pork packing societies. The first cooperative abattoir was

¹ Faber, *supra*, p. 45.

formed in 1887. During the next few years eleven more were organized. There are now 46 cooperative slaughterhouses in the country. They have a total membership of 141,500 and kill annually about 2,169,000 hogs. The capital invested is \$4,000,000 or an average of \$86,000 per abattoir. Since 1882 the business of the cooperative slaughterhouse has grown from 23,400 to over 2,000,000 hogs a year.

The Danish method of slaughtering and the handling of meats is a lesson to America in many ways. Fifty years ago slaughtering in this country was done in local slaughterhouses. The farmer had a local market for his meat. He brought in his cattle and hogs and sold them to the local buyer. They were killed in the local slaughterhouses and sold to the local consumers. The only intermediary between the farmer and the consumer was the local butcher. This gave the farmer an assured market. It provided variety in farming. And it kept down the cost of living. There was no difficulty about it; no great investment was required, and the consumer was protected from extortion by the keenest kind of competition. Today the price of cattle is controlled by the packers' syndicate. Practically all the meat in the country is killed

in Chicago, Kansas City, Omaha, St. Joseph and Fort Worth. It is hauled to these points, often thousands of miles from California, Oregon and Washington. The dressed meat is often shipped thousands of miles to the consumer. The killing of meat and its handling is monopolized by a single syndicate, which fixes the price of beef on the hoof to 6,000,000 farmers and the price paid by the consumer all over the country. Through the control of the meat supply and by-products, local slaughterhouses have been destroyed, and the individual farmer, possessing from one to a dozen cattle, has been deprived of his local market. This has destroyed the raising of cattle in many parts of the country. It has had the same effect on hogs and sheep raising. It has also ended competition. Most important of all, it has contributed largely to the decay of agriculture and the profitlessness of small farms and farming in the eastern states.

The Danes have reversed this process. In this little country there are 46 abattoirs owned by the farmers, in addition to the privately owned plants. There is one within easy access of every farm, and they are as efficiently and economically run. Their average cost is about

\$86,000, showing that it is not necessary to concentrate the killing of cattle in great plants or to expend large sums on the industry. There is no more reason why slaughtering in America should not be a local industry than in Denmark.

The cooperative slaughterhouses are organized as are the cooperative dairies. Members enter into an agreement to bring all of their hogs to the cooperative slaughterhouse, even though they are offered higher prices elsewhere. The cooperatives have learned by experience that to permit private slaughterhouses to undermine their members means the destruction of the cooperative abattoir and then a reduction of prices to the farmer.

Cooperative slaughtering is as successful as the cooperative dairies. The owners of 70 per cent of the hogs in Denmark are now members of these societies. In 1913 the farmers exported bacon to the value of \$43,500,000 while the total exports of live cattle amounted to \$18,500,000. ✓

The cooperative abattoirs have more competition from the private abattoirs than have the cooperative dairies, but the field is rapidly coming into possession of the cooperatives.

About one-half of the farmers, who own about two-thirds of the total number of pigs, are con-

nected with the cooperative abattoirs. In 1909 the sum paid by the cooperative slaughterhouses for pigs was 83.3 million kroner, to which must be added 8.6 million kroner paid to members at the end of the year as dividends.

SELLING THE PRODUCTS OF THE FARM. The Danish farmers soon found it necessary to carry cooperation a step further. They had to control the distribution of their produce in England, which country is the chief market of Danish bacon and eggs. They did this in a characteristically independent way by forming the Danish Bacon Society of London as a selling agency. They now sell directly and are almost as self-contained as is the American packing syndicate. This ended the power of the bacon trust. It also insured the farmers a secure market for their products.

EGG SOCIETIES. The Danish farmer also collects, packs, ships and sells his eggs, through co-operative agencies. Most of them go to London. They are recognized for their freshness and evenness of quality and bring high prices. All this is done through the Danish Cooperative Egg Export Societies, or the D. A. Æ., as the

society is called. It is one of the most interesting of the cooperative agencies in the country. And it indicates the perseverance of the Danish farmer and the scrupulous care to which he will go to protect himself and the good reputation of his product. There are now a total of 550 egg export organizations in the country with 45,000 members.

Prior to about 1880 the control of eggs and poultry was in the hands of middlemen much as it is in the United States. They sent buyers about the country who purchased the eggs for shipment to the British market at an agreed upon price. The speculators withheld the eggs for the winter market in order to secure higher prices. The eggs were not always fresh when marketed and the Danish producer suffered in consequence. The farmers tried to control the situation among themselves by agreeing to deliver only fresh eggs. But they were balked in their efforts by the speculators who withheld the eggs for winter prices. Finally the farmers realized that they must find some means of getting past the middlemen, just as they had in the case of butter and bacon. So they organized a society to collect, store and distribute eggs themselves. The movement began in a small

way as it did in the case of dairying. Each farmer, when joining the society, agreed to subject himself to a fine if he delivered stale eggs. And to insure the date of delivery the society adopted a trademark and also certain numerals which are stamped on the egg and indicate the district and the farmer from which they come.

The original society was formed in 1895. It now has branches all over the country. Each branch has a distinctive number for identification purposes, while each member has an identification number of his own. These numbers are put on the egg by a rubber stamp. By these means stale eggs can readily be traced back to the seller and a fine imposed. The collection is done by agents to each one of whom a district is assigned. After collection the eggs are shipped to Copenhagen for packing and export.

GROWTH OF EGG EXPORTS. The Cooperative Egg Export Association soon grew to 24 branches with 3,000 individual members. It now has 550 branches and 45,000 members. The turnover the first year of its operation was \$195,500. In 1915 it was \$2,130,000.

The speculators opposed the Cooperative in

every possible way. But as the society sold only fresh eggs, and as it stood behind its guarantee it soon received higher prices for its products than the private dealers could obtain. This forced the private dealers to raise their standards. They, too, had to reject the stale eggs and throw them back on the producers. This drove the independent farmers into the society. And it automatically led to the improvement of the reputation of the Danish egg. In three years' time exports to England increased seven-fold, while the price received increased with the improvement in quality. The egg industry is not yet as exclusively under cooperative control as is the dairy and bacon industry. Only about one farmer out of five in 1909 was a member of the cooperative society.

The result of the cooperative movement has been to standardize the Danish egg and to raise the price to all of the farmers. In addition, the control of the market by the middleman has been broken. And just as the cooperative dairies and cooperative slaughterhouses increased the production of butter and bacon, so under the cooperative idea the number of fowls in the country had increased from 5,900,000 in 1893 to 15,100,000 in 1914.

The Egg Export Society is made up of 550 branches firmly united into a single organization. The by-laws require the members to sell all their eggs to the society, to collect the eggs daily from the nests and to deliver them weekly to the local collector. The net surplus of earnings is distributed at the end of the year, one-half going to the local branch for distribution to its members in proportion to the number of eggs delivered, the other half being placed in a reserve as working capital.

The egg export associations had amassed a reserve fund of \$50,000 by 1908 and had returned to its members the guarantee papers on which the original loans were obtained.

Danish eggs, like Danish butter and bacon, bring fancy prices. They are always fresh, and they have a standardized value in the British market, to which the great bulk of the eggs are shipped. The central warehouse of the society is in Copenhagen. Here the eggs are cleaned, candled and graded for export. Bad eggs are rejected and the good eggs stamped for export.

Bad eggs are charged to the account of the farmer who sends them in. He is warned and

fined. If he repeats the offense he may be expelled from the society.

The Danish farmer also buys collectively. He buys food for his cattle, agricultural machinery and all kinds of farm and household supplies in this way. He does this through wholesale cooperative stores at Copenhagen which distribute bulk produce to the retail cooperative stores scattered throughout the country. And the cooperative store is to be found in every village. The wholesale cooperatives which buy for the locals are organized and financed by the local cooperatives and are managed by representatives of the local organizations.

THE COOPERATIVE STORE. An official investigation of the cooperative stores or societies in Denmark made in 1919 reports 1,691 stores, with a total membership of 317,000. This means that every tenth inhabitant in Denmark is a member of a cooperative store, as compared with every fifteenth in England and every twenty-ninth in Germany. Of these, 1,613 were in rural districts, 17 were in Copenhagen, and 77 in the smaller towns. An inquiry made in

1910 of the wholesale societies showed that 32 per cent of the members were peasants, 41 per cent were small holders or *husmaend*, and 27 per cent were laborers.

COOPERATIVE WHOLESALE. The Cooperative Wholesale Society of Denmark was formed in 1896. It has branches and warehouses in 12 smaller towns, besides the head offices and warehouses in Copenhagen. The society has erected several factories for roasting coffee, for making chocolate, confectionery, tobacco and cigars. It has a soap, a mustard and a margarine factory. It owns a chemical works, a spice mill, a hosiery factory, and a factory for men's ready-made clothing. The wholesale society has a bicycle factory, it imports its own tea, and it owns shares in a shoe factory. Only cooperative stores can be members of a wholesale society. They organize the wholesale, subscribe for the capital stock and manage the business. In 1916, 1,537 local societies were members of the wholesale, representing 240,000 members. The wholesale society had a turnover in sales of \$23,500,000 with a net surplus of \$1,965,000, while the total turnover of the various factories was nearly \$5,000,000. The reserve fund was

\$1,575,000, and the book value of the buildings \$1,400,000.

In 1888 the gross profit was $2\frac{1}{2}$ per cent. It is now $7\frac{1}{2}$ per cent. The net profit has increased in the same proportion, from $\frac{3}{4}$ of one per cent to more than 5 per cent in spite of the higher wages now paid to the employees.

Besides the Wholesale Cooperative and its local branches there existed in 1909 some fifteen cooperative societies, some large and some small, for the purchase of grain, food supplies, seeds and fertilizers, with a turnover of 32 million kroner. The turnover of these societies in 1900 had been only 5,400,000 kroner. The number of members rose during the same period from 20,000 to 70,000. The number of independent societies of this kind varies from year to year, small ones often becoming branches of larger ones. The largest association of this kind is the Cooperative Feeding Stuff Society of Jutland, which has a membership of 30,000 and has annual sales of \$5,000,000.¹

¹ For further information see *Agricultural Co-operation and Rural Credit in Europe*, p. 545; *Denmark and the Danes*, Wm. Harvey and Rupien, p. 156, and *Agricultural Co-operation*, p. 570.

IMPROVEMENT AND BREEDING SOCIETIES. Co-operation is not confined to the selling of farm products and the buying of merchandise and farm supplies. The movement has invaded other fields of industry and service. There are cooperative fertilizer plants and canning factories. Cow and swine improvement and breeding societies are maintained as are seed-testing organizations. Almost every need of the farmer is supplied through one or more organizations of this kind. There are societies for accident insurance, insurance against hail and other storms, and for the insurance of live stock. Cooperative societies exist to prevent tuberculosis in cattle, as well as "control societies" which keep account of the milk of different breeds of cows and employ experts to study the yield per cow and the amount of fodder consumed. There is, in fact, scarcely an activity or an agricultural need that is not represented by its own cooperative organization. Whenever a want arises, the farmers organize for its solution. It is not uncommon for a farmer to be a member of a dozen or more different cooperative societies.

The breeding of cattle, horses, swine and sheep is promoted by cooperative societies.

The government subsidizes these central societies and aids them in other ways. There were 1,884 such societies in the country in 1909.

The central societies aim to improve the breed of farm animals by keeping accounting systems as to the quantity of milk produced per cow, its contents in butter fat, as well as the relative cost for maintenance. By such observation the best breeds of cattle are ascertained. The first central society was established in 1895. In 1913 there were 592 such societies, all of which receive some subsidy from the state. An inspector visits each farmer within the society every eighteen days. The annual return in milk is much greater in the case of cows under the control of these societies than in the case of cows in general, the average yield for the two classes being 3,080 and 2,660 kilos respectively.

The farmer is also a banker. There are 521 cooperative savings banks in the country. In 1911 their deposits amounted to \$216,000,000 and the number of depositors to 1,352,000, or about one-half the total population. The average deposit was \$160.

The directors of the cooperative banks are usually farmers. They give their services free.

They pass upon the loans to their neighbors. Only the president receives a small salary. The banks are opened twice a month for the making of loans and the supervision of the books and the credits. A novel thing about the bank is that the profits do not go back to the shareholders; they are used for educational and community purposes.

The cooperative movement is wholly voluntary. It receives no subsidy from the state. Nor is it subject to regulation of any kind. The various cooperatives are independent of one another and spring into existence when the farmer finds himself confronted with some activity to be undertaken or some new need to be supplied. The state, however, cooperates with individual members and encourages agriculture in every possible way. Shipping rates on the railroads are very low; so low, in fact, that there is little or no margin of profit. The government subsidizes the mail routes to England, which country is the farmer's best market.

This is as far as the government goes in the supervision of the cooperative movement.

THE DANISH COOPERATIVE BANK. The latest development in Danish cooperation is a co-

operative bank organized and owned by the cooperative societies. The bank was organized in 1914 and has its headquarters in Copenhagen, with branches in ninety-six provincial cities and towns.

The bank is chartered to carry on a general banking business. The capital stock consists of shares subscribed by cooperative societies in proportion to their yearly turnover. This capital stock, like the capital stock of any other bank, serves as security for the bank's obligations.

The shares in the bank are limited to co-operative societies, cooperative credit and savings associations, savings banks, banking associations consisting of at least five persons, and other societies or associations of which the bank may approve, as well as municipalities and municipal institutions. Private individuals are not accepted as stockholders, nor are profit-making corporations or partnerships. The bank is governed by a General Assembly consisting of delegates elected by the member society from geographical districts. There is one delegate for every fifty thousand kroner subscribed to the capital stock within the district. In addition, there is a committee of rep-

representatives, equivalent to a board of directors, consisting of not more than twenty-five members selected by the General Assembly. This Committee has general oversight of the bank. It elects the manager, as well as a small executive committee.

The growth of the bank has been remarkable. Its turnover in 1915 was \$250,000,000. In 1916 it had risen to \$1,000,000,000. In 1919 it was \$1,600,000,000. By the latter year seventeen hundred associations had subscribed for capital stock which totaled eleven million kroner. The profits of the bank in 1919 were 1,705,942 kroner, despite some losses suffered through its branch banks as well as the depreciated foreign exchange, which made it necessary for the bank to write down the value of its assets. The bank has just completed a new building in Copenhagen, said to be one of the most imposing business structures in the country.

CHAPTER V

SOME GAINS FROM COOPERATION

THE cooperative movement is the great cohesive element in the democracy of Denmark. It has brought the farmers together in all kinds of activities. The management of cooperative stores and industries, the local and state-wide meetings, and the press have familiarized the farmer with business and agricultural processes. It has given him a sense of power. Cooperation is largely responsible for the class consciousness of the farmer, a consciousness that has brought them together and kept them together for political action. The educational system described in another chapter is closely related to the cooperative movement.

Cooperation has not only eliminated excessive and needless overhead expenses, it has changed the social structure of the country. It has weakened capitalism. In many branches of industry it has driven it out altogether. Cooperation, with education and the system of small landed proprietors, is responsible for this change.

Economic power has brought with it political power. It has strengthened the farmer in many ways. It has weakened the power of the great landowners, the business classes and the exploiting groups generally.

ECONOMIC GAINS FROM COOPERATION. Cooperation has brought with it economic gains of substantial value. Among them are the following:

1. Tens of thousands of farms average from one-half to a few acres in extent. By means of cooperation it is possible for the owner of a miniature farm to sell as economically as the owner of a large estate.

2. The farmers buy and sell as a group. Acting as a unit they have the power of monopoly, not only of capital but of brains as well. The farmers receive all the profits that in other countries go to speculators and middlemen. There are no speculative agencies between the farmer and the consumer.

3. The farmer is relieved of the cost and trouble of marketing his individual produce.

4. Cooperation has contributed greatly to the improvement of farming. Attendance on society meetings, discussions, the experts em-

ployed by the cooperative societies have brought about better breeds of cattle, and more intelligent methods of work. Cooperation has made the farmer proud of his profession. The farmer aims to lead in his community and the cooperative societies afford an opportunity through which his talents are quickly recognized.

MORAL GAINS. Speaking of the moral gains from cooperation, a keen observer of Danish institutions says :

“Among the indirect, but equally tangible results of cooperation, I should be inclined to put the development of mind and character among those by whom it is practised. The peasant or little farmer, who is a member of one or more of these societies, who helps to build up their success and enjoys their benefits, acquires a new outlook. The jealousies and suspicions which are in most countries so common among those who live by the land fall from him. Feeling that he has a voice in the direction of great affairs he acquires an added value and a healthy importance in his own eyes. He knows also that in his degree and according to his output he is on an equal footing with the largest producer and proportionately is doing as well. There is no longer any fear that because he is a little man he will be browbeaten or forced to accept a worse price for what he has to sell than does his rich and powerful

neighbor. The skilled minds which direct his business work as zealously for him as for that important neighbor.

“Again, being relieved from all the worry and risk of marketing and sure that whatever he buys from his society, be it seeds or foodstuffs or implements, is the best obtainable at the lowest rate compatible with good quality, he is free to devote himself altogether to the actual business of life. When in any great doubt or difficulty he can rely on the expert advice of his ‘control society.’ All the science of the country is in fact at the disposal of the humblest worker. The farmer, who, standing alone, can be broken across the knee of tyranny, extortion or competition, if bound up with a hundred others by the bond of common interest he is able to mock all of them.”¹

POLITICAL AWAKENING. Finally, cooperation has contributed to the political power of the farmer. It has drawn him into politics and trained him to united political action. This is one of its greatest services. Along with home ownership it has made the peasant the ruling class in the nation. For the farmer found that he had to protect his cooperative from the assaults of the private traders. He found it necessary to have a voice in the administration of the railroads, in the levying of taxes, in the

¹ *Denmark and the Danes*, Harvey, p. 146.

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control of education. And as he gained self-consciousness in the cooperative movement he acquired political confidence in himself.

Mr. Booker Washington attributes the political power of the peasant to the cooperative activities in which he is engaged. He says:

“Forty years ago the peasants had all the political rights they now possess, but they did not count for much in political matters. There were then two kinds of butter, ‘gentlemen’s butter,’ which was made on the estates of the big landowners, and peasants’ butter. Peasants’ butter was worth only one-half as much as the other kind in the market. After the cooperative dairies were established, however, and the price of peasants’ butter began to rise the political situation began to change. Year by year the number of cooperative dairies increased and year by year the number of peasant farmers in Parliament increased. In other words, the Danish peasant has become a power in Danish politics because he first became a leader in the industrial development of the country.”¹

SOCIAL GAINS. All over Europe the cooperative movement has been a means of awakening self-confidence in the peasant and the worker. It has taught them the processes of the industrial and trading world. Familiarity with these

¹ *The Man Farthest Down*, Booker Washington, p. 322.

processes has created a desire to participate in the economic activities of the state. This knowledge could only be gained by the working classes by slow processes. Limited in their leisure and in their savings, untrained in the intricacies of business and banking, they looked upon them as things apart from their class. Cooperation has broken down these caste inhibitions and as the cooperator sees a man whom he knows mastering the details of accounting, as he sees him succeed as a manager, as he himself participates in discussions in the meetings and gatherings, he comes to have confidence in himself and his class.

Denmark has realized the social and political values of cooperation more than any other country. Possibly this is traceable to the smallness of the country. It is traceable in part to the fact that Denmark is to so great an extent agricultural. At any rate the whole population has attained a dignity, and a sense of the importance of spiritual and material values that is not to be found in any other modern state. There is a warm regard for cultural things in Denmark by the farmer as well as the city dweller. Education is provided for generously. The state of Massachusetts has many universities

and colleges; it has provided generously for its public schools; but here is a country far less wealthy than Massachusetts, a country with scarcely any industry and little accumulated wealth, that has a hundred high schools and colleges for farmers alone. This is indicative of the willingness of the farmer to spend for cultural things, which many critics of democracy have insisted would suffer if left to the leveling influence of the people.

The Dane works with his fellows. He is good at team play. He trusts himself and his neighbors. He is willing to speculate in small ventures that promise to improve his condition. He has learned enough of business and finance to know that he has as good a chance of success as the business man. He knows too that success or failure is largely a matter of banking and credit and knowing this, he has insisted that these agencies should be organized to serve him and promote his well-being. He has done the same as to the railroads, which are consciously operated by the state in the interest of the farmer. Taxation too is studied and its incidence understood.

These are some of the by-products of the co-operative movement, with its meetings, its pub-

lications, its discussions, and the self-confidence that has come with these activities. These along with farm ownership are the foundations of the economic self-sufficiency and political confidence of the peasant and the working class.

CHAPTER VI

ECONOMIC FOUNDATIONS—FARM OWNERSHIP

EDUCATION is one of the explanations of Denmark. Cooperation is another. But back of these is the fact that the Dane owns his own farm. He works for himself.

Farm ownership is the economic foundation of Denmark. This explains the desire for education, the prevalence of cooperation and political democracy as well. It explains the general well-being of the wage-earner of the city.

According to the most recent official statistics 89.9 per cent of the farmers own their farms. Only 10.1 per cent are tenants. As late as 1850, 42 per cent were tenants. This change has been brought about in two generations; a change achieved by the efforts of the peasants themselves.

The area worked by owners as compared to the area worked by tenants is even more striking. Out of a total area of 9,000,000 acres in farms in 1901, 7,803,000 acres were in freehold

ownership and only 652,658 acres were in tenancy. This is slightly over eight per cent. The remainder of the land is in leasehold, glebe and public servant farms.¹

THE SMALL HOLDING. A second fact of primary importance is the large number of very small farms. Many of the holdings are mere "handkerchiefs" of land.

The total number of farms in the country is 250,000, or one for every twelve persons. The average size of the farms and the number in each class is as follows:

Size of Farms	Number of farms	Total number of acres in the class	Average size of farm in each class
Less than 1½ acres ...	68,000	23,000	3¼ of an acre
From 1½ to 12 acres ..	65,000	412,000	6.3 acres
From 12 to 37 acres ..	46,000	1,060,000	23 acres
From 37 to 147 acres ..	61,000	4,468,914	73 acres
From 147 to 600 acres.	8,000	1,900,000	238 acres
More than 600 acres ..	822	1,052,000	1,280 acres

The very large farms are survivals of the old feudal estates. These estates are not worked by tenants, as in other countries, but by hired labor, which, by reason of the ease with which peasants secure land, is difficult to obtain. In consequence the landlords imported laborers

¹ *Agricultural Co-operation in Denmark*, Harald Faber, p. 162.

from Central Europe, who worked on the estates during the summer months and returned home during the winter. This landed class is fast disappearing through legislation, described in another chapter, by which tenants and laborers are aided to buy small farms through assistance from the public treasury.¹

SIZE OF FARMS. The average size of the 248,000 farms of the first five classes, which range from $1\frac{1}{2}$ to 600 acres and which comprise nine-tenths of the land, is but thirty-two acres. Of these, 68,000 farms average less than half an acre each, while 65,000 average only 6 acres each. The small patches of land are the holdings of the *husmaend* and consist of a house and small piece of land. Still a man on from three to four acres, the average size of about half the farms in Denmark, will make a decent living for himself and his family. He will have one or two cows and possibly a dozen pigs. He will produce his own vegetables and some eggs and poultry. His lot is not particularly enviable, it is true, yet by means of intensive work, and the cooperative undertakings which handle his output, he is able to live far more inde-

¹ See Chapter XIV.

pendently and comfortably than the average continental peasant.

The 107,000 farmers with farms ranging from 12 to 147 acres, and who own about six-tenths of the land, live very much better. They work their own farms with the aid of some hired labor; they are well educated, and devote a lot of time to politics and the cooperative undertakings with which they are connected. They have been the ruling class in politics and are called *gaardmaend*. They control the politics of their district and have been ascendant in Parliament for thirty years. They know about the most technical agriculture, are familiar with prices current, are rather skilled mechanics and frequently good chemists. They are saturated with a knowledge of agriculture, are not consumed with the ambition to be rich or to acquire more land. Their ambition is to be good farmers. They take an active interest in the cooperative societies, in the various savings and credit institutions, and are familiar with the laws which bear upon their business. They enjoy a social and political status superior to that of any other farmer in the world, and form the ruling political class in the nation.

THE ECONOMIC BASIS OF AGRICULTURE. Farm ownership and the small farm are the economic bases of Danish life. To these economic conditions other things are traceable. The kind of land tenure that prevails is the mold of the civilization of a state. This is true of nearly all countries. It is hardly a coincidence that wherever we find hereditary landlordism, as in Great Britain and Prussia, there we have political reaction. There is, so far as I know, no exception to this rule. It was this that explained old Russia. It was land monopoly that lay back of the Irish question and the long-continued poverty of the Irish people. On the other hand, wherever we find the people owning their own homes and cultivating their own land, there we find an entirely different spirit and a different political system. With ownership we find democracy, responsible government, and with them the hope, ambition and freedom that prevails in France, Holland, Switzerland and the Scandinavian countries. For these are the countries where the people, rather than the old feudal aristocracy, own the land.

POLITICAL DEMOCRACY. Political democracy in Denmark came through the peasants, who

gradually overthrew the old aristocracy and by continuous efforts obtained control of Parliament. The struggle continued for many years but finally the peasants forced a change in the constitution; they abolished plural voting and the power of the upper house and took possession of the government.

The peasants found that their interests were sacrificed by the large landowners which had long been ascendant. They discovered that they were discriminated against in taxation, in the tariff and excise duties. They found that the marketing agencies were in the hands of middlemen; that they were excluded from the benefits of social legislation. So the farmers organized a party. Ultimately they secured control of the lower house. Then they appointed farmers to the ministry. And for a quarter of a century they have controlled the lower house of Parliament.

EDUCATION. The educational system would not have been possible had the farmers been tenants. Why should the tenant send his children to school if an increase in knowledge means an increase in rent? For the landlord gets all that he can. And in a country where people

crowd on to the land as they do in Denmark, with a population of 195 to the square mile, the landlord knows to a nicety what can be taken from the tenant and still keep him on the land.

It is the home-owning farmer who wants education. He wants it for his children. He sees its economic value.

It is only the home-owning farmer, too, that organizes cooperative undertakings. He wants to keep down his costs. He wants to market through his own agencies. The tenant is not a cooperative. Why should he be? If he makes his farm yield more it is only an excuse on the part of the landlord for an increase in rent.

TENANCY IN AMERICA. Tenancy has become a serious matter in America. As long ago as 1910, 37 per cent of our farmers were tenants. And the condition of the tenant farmer as disclosed by the Industrial Relations Commission, in Texas, Oklahoma and the Southwest, was not very different from the conditions which prevail in Europe. For farm tenancy is much the same the world over. Ambition, hope, initiative are impossible under a tenant system. This is why tenant farming destroys agriculture. The tenant will not improve the farm. For the im-

provements he makes go to the landlord. The owner will not make improvements because it does not pay him to do so. Moreover, the tenant seeks to get as much out of the soil as possible and then move on to another farm. The soil is exhausted, crops are not rotated, soon deterioration in production sets in. In time the land is impoverished while the buildings and improvements go to decay. Tenancy is rapidly becoming the prevailing form of land tenure in America. It is destructive of farming and of a nation as well. It cannot be otherwise.¹

¹ For a description of the conditions of tenant farmers in America and their low intellectual and social status, see *Report of the Commission on Industrial Relations*, Vol. I.

CHAPTER VII

A PROPHET

WHY has this little country stepped out so far in advance of other countries and solved so many problems that have scarcely begun to concern the statesmen of other nations? Is it traceable to the stock from which the Dane has sprung? Is it due to climatic or favorable natural advantages or was it inspired by some great statesman who dedicated his abilities to a different kind of rulership than that which has animated the statesmen of other countries?

None of these causes explains the awakening of Denmark or her economic advance. The soil is poor. No great statesman has aided in shaping the country's destiny. Denmark was changed by the people themselves, by the peasants or farmers, who a few years ago were scarcely more intelligent than the peasants of Europe. It was the peasants who took control of politics, who have taken over the marketing, the buying and the credit agencies of the coun-

try and by their own efforts developed a culture of their own. It is they who have almost abolished farm tenancy and substituted farm ownership as the basis of successful farming. As a result they have made agriculture a fine art and converted the raising of horses, cattle, hogs and poultry into a science. This has been achieved in forty years' time. It is one of the most remarkable revolutions in history.

A GREAT EDUCATOR. Many Danes, possibly most of them, will tell you that the revival of the country, which began about 1880, was traceable to the teachings of a remarkable man, Nikolai Frederik Severin Grundtvig, later Bishop Grundtvig. Certainly no educator and few statesmen have as completely changed the course of their country's destiny as did this relatively poor, long neglected and bitterly reviled educator, whose teachings have lifted the peasantry of Denmark to a level of culture that is unique in the world. Education in turn has reacted on economic and social conditions, and especially on agriculture. It has inspired the peasant to political action. It has awakened 100,000 peasants, who in a generation's time have attended the People's High Schools which

are the central feature in the educational system of the state.

GRUNDTVIG. Bishop Grundtvig (1783-1872) came from an old Danish family. He received a conventional education and was trained for the ministry. He revolted against the training he received at the schools as he did against the church. Because of his independence he was ostracized by the educated classes, as well as by the state, which resented his criticisms of the prevailing culture of his time. Late in life, however, he was ordained a bishop in the State Church by the king, although he was never given a diocese.

Grundtvig spent some time in England, where he found the country in the throes of the Reform Bill and the political controversies of the early part of the last century. It was here that his ideas of education took form, ideas of an educational system for mature men and women rather than for boys and girls. During these years he conceived of schools that would give dignity to the life of the farmer; that would awaken a pride in his calling no matter how humble it might be. Grundtvig's ambition was to see the working man, especially the peasant, lifted from

the dull, soulless occupation to which he was condemned. This was the primary objective of his educational reforms. He protested against the classical schools designed for the upper classes. He also protested against the neglect of the Danish language, for the educated classes were under French and German influence. "Three-quarters of them," he said "can hardly write Danish, know nothing of history . . . have no conception of civilization except as something dry and repulsive as necessary to be 'got up' for the second examination." He saw no hope for the Danish people so long as they were dependent upon the cultural ideas of other nations, and he saw little hope of revolt from the cultivated classes. Denmark, which was then suffering from depression due to competition from outside countries and the political disasters which had befallen her, would continue to decay, he felt, unless these outside influences were arrested, and a purely Danish culture was substituted in their stead. To awaken the people he preached national education. "What the peasants need," he said, "is not technical training but mental." Two of his guiding principles were: one, that all traditional methods be discarded; and two, that the national

spirit be aroused. The highest in a human being is not brought out by examinations; it must be aroused by something else. "Our primary aim is to inform, not to impart information," he said.

BREAKING WITH EDUCATIONAL TRADITIONS. Grundtvig's educational ideas were novel. He hated examinations and textbooks. And they play a small part in the People's High Schools which resulted from his teachings. He condemned the medieval classicism that passed for culture. He believed that education came from the personality of the teacher, from the man who is trained to inspire and awaken. He urged that the spoken rather than the written word be employed. The teacher must live and work with his pupils. The application of these ideas was fundamental to the success of the schools which his teachings inspired. The teacher was to be the center of the school and the community life, and through constant discussion and intimate contact with the pupils he would inspire them to a belief in the things which were fundamental to real culture.

The People's High Schools which were born at his agitation are organized along these lines.

There are no examinations. Nor are there separate class divisions. Knowledge is sought for its own sake irrespective of its utilitarian benefits. Commenting on these schools, Marais, the biographer of Grundtvig, says: "No doubt every student at the end of his four or five months' course knows many things he did not know before, but whether he knows many or a few things is a matter of small concern, so long as a new hope, a new life, a new spring of energy within him is called into being."

SCHOOLS FOR PEOPLE. Grundtvig was primarily concerned with the peasant, with the common people. He deprecated the idea of producing mere students, professors, public officials. "Our national culture," he said, "must rest upon the enlightenment of all classes. . . . If education is organized as if every one were to be an official or a gentleman of leisure, the entire people will die of hunger. It is not a question of what will be serviceable for the officials or leisure class, but for those who will be neither the one nor the other. Our aim must be to provide a liberal education which will make the whole people fit for their work and happy in their situation. . . . The aim of

the schools should be to fill the gap between the educated and the uneducated, to bridge the boundless abyss which the hierarchy, the aristocracy and the Latin schools have built between almost the entire people on the one side and the handful of the so-called educated and enlightened upon the other."¹

In this we receive a suggestion of the underlying motive of these schools. They aim to educate the people. They are a direct challenge to the idea that higher education should be something for the privileged classes who are to live as a detached class. Grundtvig's aim was the education of all the people, especially the working and producing classes. Education was not to be a thing for the few. It was to be the possession of the entire nation. And it was upon this democratic foundation that the Danish educational system has since been erected.

Grundtvig was an idealist and his language was sometimes extravagant because his ideals were high. He had a lofty conception of the mission of the teacher. His dream was "to make the People's High Schools a center of northern learning—a northern university in the

¹ "Bishop Grundtvig and the People's High Schools," E. G. Cooley, *Educational Review*, December, 1914.

highest sense of the term. There was to be no cramped system of classical learning, but a bridge between the people and their history and poetry.”

THE FIRST PEOPLE’S HIGH SCHOOL. Although Grundtvig preached these ideas, and formulated the plan by which the schools were to be established, he never had a school of his own. It was many years before the Danes were ready to listen to him at all, and when the first experimental school was started at Rodding in 1844 it was the subject of the greatest controversy, and the system was not thoroughly apprehended and extended until twenty years later.

It was the energy and personality of Kristen Kold that brought the People’s High School to its first practical realization. Kold was the son of a poor shoemaker. His educational experience aroused in him a distrust of anything mechanical. He revolted against the traditional methods employed. Most of all he resented the examinations, tests and catechism. His protests closed professional opportunities to him and he became a bookbinder. By chance he became acquainted with the writings of Grundtvig in which he found a justification of his own beliefs.

This inspired him to open a modest school in which instruction should be through the teacher rather than through the printed page. His school grew rapidly until it had a hundred people. Young women asked to be admitted. So he opened a school for them in the summer, which was the season when men could not be spared from the farm. Kold has been described as a sort of rustic blend of Socrates and Pestalozzi. He had a ready store of idiomatic knowledge of the Danish language; had thought much on life and its problems; he had a keen insight into character; possessed an unlimited store of illustrations and experiences; and was consumed by a passion for communicating to others what had brought light and help to himself.

THE NATURE OF THE PEOPLE'S SCHOOL. The schools established by Kold had to make their way by attracting students. If they failed in this they failed altogether. But the inspirational quality of his teaching, a ready and forceful contact with students, a winning personality and some business ability, united in keeping the schools alive. This is one of the qualities of the People's High Schools all over Den-

mark. They are not maintained by the state. They have to attract students to live. And they are all self-governing and in large measure self-supporting.

These schools, too, are not for children; they are for men and women of from sixteen to forty years of age. As these mature persons are able to choose for themselves, and as they want to secure the best possible returns for their time and money, the schools where the teaching is the best attract the largest attendance. And because the schools are private rather than public and center about the personality of the teachers, there is absolute freedom of instruction. The teacher can say what he pleases. He cannot be interfered with by the state or even by the trustees. The schools of Denmark are *teachers' schools*. The material endowment, though often generous, is secondary. The material equipment is accessory to the teachers, who are in effect the schools. There are no fixed standards of scholarship, no degrees, no tests or examinations of any kind.

FREEDOM IN EDUCATION. Accustomed as we are to political supervision of education and inflexible standards of what shall be taught and

what the pupil shall know at the completion of each grade, the freedom of these schools seems quite incomprehensible. For the schools differ greatly in details, although they conform to the type impressed upon them by their founder. Speaking of the results of this freedom from standards, a special report of the Board of Education of Great Britain on Schools, Public and Private, in the North of Europe, says: "But we shall find on the one hand that the very best results flow from this large liberty, and on the other, that the schools are able to give abundant evidence that the state gets good value for the large sums of money expended on them." . . . For the state "to interfere in the arrangements of the school, to impose or modify a time-table, to curtail one subject or to extend another, even to offer suggestions on any large scale, would be as much outside his duty (the inspector's) as it would be for an English government official, when a large subsidy has been given to the Cunard Company for carrying the mails, to object to the composition of the Board of Directors, to find fault with the construction of their ships and to insist on other ways of carrying on their business. This absolute freedom, this undivided responsibility, the Folkdjhokole

teacher regards as essential to the full success of his work.”¹

EXAMINATIONS AND TESTS. Commenting on the distrust of examinations, the same report says: “The feeling against an examination for such schools as these is intensely strong. Rather than submit to it the schools would surrender their grants. In at least one instance where some patron or generous supporter of a school has insisted on examinations of the pupils the consequence has been the entire discontinuance of the school.

“Some of the teachers do not hesitate to describe examinations of their pupils as actually degrading. And indeed if we remember the aim of the most characteristic part of their work, it will be seen that examination of pupils would be as incongruous as if some one were to insist that Englishmen on leaving St. Paul’s or the Metropolitan Tabernacle should be required to show in writing that they understood or remembered what they had heard and were in agreement with the doctrinal standards upheld in the cathedral or tabernacle. For the aim, the primary

¹ *Special Report of the Board of Education of Great Britain on Schools, Public and Private, in the North of Europe.*

aim of the schools is to inform (in the proper sense of the word) rather than to impart information."¹

The schools are intensely patriotic. They are also very religious. This has made them a powerful agency in the awakening of the country and in turning the thoughts of the people from external to internal development. The students range from 18 to 30 years of age. They live and study together under a common roof with the teacher, who thus inspires a sense of identity with the community and the nation as well.

These people's schools, for they are literally people's schools, are woven into the texture of the life of Denmark. Education is not a thing for children alone, it is not a privileged possession of the few, it is part of the daily life of the population. The men and women think of the school as they do of their church, their co-operative store, their political party. They support them, direct them, and feel a proprietary sense about them that is not found even in the public school. Moreover, they are part of the everyday life of the farmer. He goes to them at a mature age. He goes for something very

¹ *Ibid.*

definite and he returns from time to time for guidance, to attend some agricultural meeting, to a conference on religion, on politics, on co-operation. Education in Denmark is not detached—it is as much a part of the farmer's life as his everyday work on the farm.

The People's High Schools are organized privately or by self-perpetuating corporations. The schools sometimes begin in rented quarters and move into permanent homes only after they become well-established. As a result of the competition and the small subsidy of the state, only the worthy ones survive, and nearly half the schools organized go to pieces. Those which live, however, are very much alive. They are the center of the life of their respective communities.

CHAPTER VIII

THE PEOPLE'S HIGH SCHOOLS

THE People's High Schools, which are now to be found in every part of the country, are Denmark's contribution to education. They are probably the most democratic educational institutions in the world. They are peasant schools. They are organized, managed and supported by the peasants. These schools are not detached from the everyday life of the people. They are identified with the peasant, with his work, his politics, and his culture, in every conceivable way. The People's High Schools are people's schools in every sense of the word.

The methods of teaching and of study are unique. They would shock the average board of education, as they would the average parent. Textbooks are but little used. Teaching is by the spoken rather than the written word. This is a cardinal principle. The school day is long, and the pupils work willingly and hard. Even the courses of study are not standardized. They are determined very largely by the principal, who exercises great influence over the

school. The average principal would not submit to any interference by public authorities. He might resent any interference by the board of trustees. The teachers have a larger control over education in Denmark than they have elsewhere. Despite considerable variation in the curricula, the schools have certain common characteristics. They all stimulate a love of Denmark and her institutions. The culture of the country is emphasized. History occupies a prominent place. And the study of history is generous enough to include the mythology of the Norsemen as well as the problems of social science of the present day. Singing and literature hold a prominent place, while gymnastics of every kind are indulged in both indoors and out. The monuments which attract the most interest are those of great teachers, of writers, of men of cultural prominence. War and international affairs are practically neglected.

EDUCATIONAL DISCIPLINE. From our point of view the schools are lacking in discipline. Foreign observers remark on the natural relations between teacher and pupil and the absence of rules. The teachers take at least one meal a day with the students, all of whom live in or

about the building. This living in common is considered an important feature of the high school idea and may have something to do with the ability of the Danes to work together politically and in their many cooperative societies.

“ The People's High Schools, says a British observer have been described as ‘hotbeds’ of the cooperative movement; most of the chairmen of committees of cooperative societies, and of the dairy managers have passed through one or more of them. The High School man, with his love of country and his country's history, says Mr. Thornton, will take an intelligent interest in public affairs; 30 per cent of the members of the Rigsdag in 1901 had been High School pupils.”¹

SCHOOLS FOR ADULTS. The usual period of attendance at the high schools is one term of five months' duration. The schools are open from November to May for males and during the summer months for women and girls. The pupils live in or near the school. Board and tuition are very low and deserving students receive assistance from the government upon the recommendation of local committees. The number of students in the schools ranges from ten to four hundred. Slightly over one-half of these, 53 per cent, are males, and 47 per cent

¹ *Co-operation in Danish Agriculture*, Faber, p. xviii.

are females. About three-fourths of the students are substantial middle-class farmers and small holders. The usual age of admission is eighteen and over and 80 per cent of the students are from 19 to 25 years of age. Seven per cent are below 18, and thirteen per cent are above 25. Only a small number have attended Latin schools. They are the people's schools in every sense of the word.

Just as there are no examinations within the schools, so the teachers are not required to pass any official tests. They are appointed by the school principal and are selected for their ability to impart information. They must have personal magnetism and executive ability.

From our point of view the school day is very long. It extends well into the evening. And the organization and rotation of classes is quite similar to that in vogue in the Gary high schools, at Gary, Indiana.

THE COURSE OF STUDY. The high schools are alike in the emphasis they place on gardening and farming. They assist the agricultural schools, connected with them in some cases, but give no vocational instruction *per se*. Yet, if you ask a Dane which is the most important

vocational school in Denmark, he will say, "the people's high school." The reason for the answer is that the schools have awakened a new spirit in the peasant, which he seeks to sustain through the founding of high school associations, high school homes, lecture associations, auditorium halls and gymnasiums in his home parish.

To what extent the people's high schools should teach "practical subjects" is a debated question. Of the 79 state aided schools, 48 adhere to the culture idea pure and simple, and the list includes the most famous ones. But 31 schools, including some of the largest, offer specific courses in agriculture, horticulture, carpentry, masonry, etc., and seem in no danger of losing their original ideals and inspiration. The schools are not co-educational, except in two or three cases.¹

¹ The course of study at the Ryslinge folk high school is as follows:

(School for young men, November-April, 1913.)

Subjects	Hours	Subjects	Hours
Danish and composition ...	6	Constitutional law and	
Danish history	6	jurisprudence	1
Farm accounting	2	Agricultural economics ...	1
General history	6	Gymnastics	6
Geography	3	Writing *	
Natural science	4	Bookkeeping *	
Danish and other literature	2	Lecture and song each evening	
Drawing and surveying ..	2	English, special instruction	

* Twenty-four hours in all.

KINDS OF SCHOOLS AND RELATION TO THE STATE. While the high schools are free from supervision by the state and no attempt is made to standardize them, they receive financial support from the public treasury. The total state appropriation for the year 1913-1914 was about 520,000 kroner.

In the 80 high schools (1913), 19 agricultural schools and schools of household economics, there were altogether about 10,000 students, nearly all from the country districts. Only 6 per cent of the attendance comes from towns and cities. It is estimated that more than 30 per cent of the young men in the rural districts have been students in these schools and many of them have passed on to the winter agricultural colleges for advanced work.

The schools may be classified into four general types: (1) people's high schools, (2) the agricultural schools or colleges in which more advanced work is done and which generally require previous attendance at the high school. These agricultural schools are designed primarily for the farmers, that is, for those having rather substantial farms of from 15 to 50 acres. (3) Schools for the small farmers or agricultural laborers, who own a small patch of land

and eke out their subsistence by working on the neighboring estates; and (4) the schools of domestic science for the girls and women. All told, there are over one hundred of the various types of schools.

The high school is closely identified with the community in which it is located. And just as a town has an elected mayor to administer its political affairs, so it has an intellectual leader in the school principal. For the principal is an important personage. He exerts great influence. He receives a good salary. He is provided with a comfortable house in connection with the school and is looked up to for guidance not only in practical matters but in political and social questions as well.

There is great variety in the intellectual life of the Danish peasant. Political ideas of an advanced sort, such as socialism, single tax, proportional representation, the position of women, are subjects of discussion and debate. And the school principal is perfectly free to participate in such movements. In many instances he is looked upon and referred to throughout the kingdom as the center of some agitation or other.

These schools have made a profound impres-

sion on the morals and habits of the people. Wherever the high school has acquired an influence one finds little drinking, gambling or other forms of immorality. Not that the schools are puritanical, for dances, sports and play of all kinds are emphasized as part of the curriculum.

The people's high schools are also community halls. They are the centers of politics, of propaganda, of the cooperative movement. It is the ambition of every farmer to attend one of these schools at some time or other. For this he saves. To this he looks forward. On the short contact of a few months with cultural things he looks back in after years.

These schools have contributed much of the democracy of Denmark. They have reduced class distinctions. They have trained the farmer to self-confidence. They have aided in making him the power that he is in the state. They have contributed to many economic reforms and have been one of the most important, possibly the most important, agency in promoting the efficiency of the country.

As a result of these educational agencies and the keen interest which the farmers take in them, illiteracy is non-existent in Denmark. It

is but .002 per cent. The people appreciate the value of education, and are willing to support any new demands for its extension. Education is a sort of investment from which the peasant receives dividends, not only in business but in politics, cooperation and the joy of life. Education and especially the people's high schools are very largely responsible for the economical well-being of Denmark and for the widespread culture which prevails.

CULTURE OF DENMARK. This is the estimate of a special investigator of the United States Bureau of Education, as it is of the United States Commissioner of Education, Mr. P. P. Claxton, who says in the preface to a government report on the Folks High Schools: "In the thirty years from 1881 to 1912 the value of the exports of standard agricultural products—bacon, eggs and butter—increased from \$12,000,000 to \$125,000,000. Waste and worn-out lands have been reclaimed and renewed. Cooperation in production and marketing has become more common than in any country. Landlordism and farm tenancy have almost disappeared. Rural social life has become intelligent, organic and attractive. A high type of idealism

has been fostered among the masses of the people. A real democracy has been established. This is the outgrowth of an educational system, universal, practical and democratic.”¹

¹ Foght, “The Folks High Schools,” U. S. Bureau of Education, Bulletin No. 22, 1914.

CHAPTER IX

MAKING FARMING ALLURING

IN addition to the People's High Schools there are agricultural high schools and schools of household economics for young women. These are advanced high schools or colleges, and most of them require attendance at the People's High schools as a condition of admission. There are 23 of these agricultural high schools accredited by the government. This in a state about twice the size of Massachusetts and with a total population of but 3,000,000. The student seeking admission must have had some practical training in farming before he may enter, and this is usually received in the years between leaving the elementary schools and entering the folks high school.

The agricultural high school maintains close relations with the People's High School, teachers often being exchanged between the two. The methods of instruction are similar. The agricultural school is designed to serve the agricultural needs of the neighborhood in which it is

located, and usually comes into existence in response to some definite need.

The agricultural schools are organized as nearly as possible like a farm. They are experiment stations in agriculture, and familiarize the students with scientific methods, the use of machinery and chemistry, and the advances in the art. Many of the schools are actually farm communities, weaving cultural and mechanical studies into one another in a thoroughly practical way.

A foreigner visiting the high school located at Askov described his experiences as follows:

“Both teachers and pupils are in closest touch with hard reality. They are as far as possible from becoming mere dreamy students. For all around, in rich variety, are spread works of practical utility, carried on by the teachers or by former students, which are quite independent of the school courses, but yet lie open for observation and inquiry from day to day. First comes the Agricultural Experiment Station of forty acres, the largest in Denmark, managed by a staff of six experts and visited every year by 2,000 farmers and others. Here at any given time hundreds of experiments are going on with all sorts of seeds and plants on varying soils (clay, sand, moss.)

“Close to the school is the research windmill, built

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by the State, in which Professor Poul La Cour has learnt how to harness the wind and make it generate electricity. And a further walk of 200 or 300 yards brings one to a farm with windmill and power of its own, besides light at will in farmhouse, cowsheds and pigsties. Then there is also the principal's model farm, and a model orchard, showing what kinds of fruit trees thrive best on a sandy soil; a Sloyd school; a school of domestic industries; and one for home weaving. Many of the visitors are cottars, small peasant proprietors, travelling round with help from various funds, in search of practical hints.

“Mr. Schroeder himself tells what generally happens at such a visit. After they have seen all they can out of doors, they ask to go in to a lecture, which is flexible enough to allow of a few words for themselves. He calls to their remembrance item by item all they have just seen, and shows how it puts to shame the charges brought from time to time against himself and colleagues, perhaps in the very districts from which his guests have come, of taking up the time of his pupils, with what from the practical point of view is often regarded as ‘useless nonsense.’ If they had seen so much at Askov on the part of its teachers and former pupils that showed capacity in the practical world, the reason was that the school in putting a new spirit into its pupils and enlarging their outlook—all ‘useless nonsense’ from the practical point of view—was in an indirect way promoting the disposition and increasing the courage of its pupils, to accomplish some capable work in the world outside. And Mr. Schroeder goes on to add: ‘After

thirty-six years in the service of the Folkdjhaskole, I have not been able to give up the faith with which I began my work. Our way through life goes from within outwards; if that which is within a man be set in the right direction it will bear fruit in the whole of his outer activity; a real enlightenment of spirit in the man at full age will call forth the energy, capacity and perseverance, which are more necessary than acquirements, when we come to the solution of practical problems.' ''¹

COURSE OF STUDY. The course of study at Lyngby near Copenhagen is typical of the courses offered in most of the agricultural schools. The entrance requirements include some familiarity with farm work and attendance at a folk high school. The school offers a six months' and a nine months' course for young men. The six months' course includes chemistry (organic and inorganic), physics, study of soils, treatment of soils, including meadow and moorlands, irrigation and drainage, study of fertilizers, rotation of crops, plant culture, study of weeds, seed culture, plant diseases, study of breeds and breeding, judging horses and cattle, diseases of domestic animals, feeding, horseshoeing and smithing, dairying, farm

¹ *Verdens Gang* (Christiania), Sept. 26 and 27, 1898.

machinery, farm accounting, drawing, surveying and leveling, arithmetic, written themes, Danish, history of agriculture, and the study of how to overcome commercial faults in domestic animals. The nine months' course includes all the above, but is more detailed. Lectures in sociology and economics, with special reference to rural life, are added. Some work is also offered for students who desire to become "control" assistants,—local agricultural experts offering advice in dairying, fertilization, etc. Those who wish to become members of the large class of government experts in swine culture, dairying, etc., may get their final preparation at Copenhagen in the Royal Veterinary and Agricultural Institute.

The schools described above are for the *gaardmaend* or well-to-do farmers. In addition there are a number of agricultural schools for farmers having very small holdings. They are called *husmaendsskoler*, or schools for the *husmaend*. These combine the most valuable features of the folk high school with those of the agricultural school and make a point of short courses for small holders of any age or preparation. Bee culture, chicken raising and other side lines receive much attention. Any small holder

with a problem may go to these schools and obtain the desired assistance.

SCHOOLS FOR SMALL HOLDERS. Seventy-five thousand Danish farmers face the difficulty of making a living out of three to seven acres of land, and their problems are necessarily somewhat different from those of the larger farmers. The three *husmaendsskoler* are doing remarkably good work in helping them.

The *Odense Husmaendsskole*, which was organized in 1908 by the United Association of Small Holders in the Island of Fünen, has special courses for young women, to aid them in their difficult rôle of helpmate on the small farm. There are also two courses for artisans—carpenters, masons, etc.—and two for “control” assistants.

The following is a description of an ordinary day’s work in one of the folk high schools opened in 1865, as given to a group of English visitors in August, 1905. The school described was Vallekilde, one of the largest in Denmark.¹

“ ‘The main object of this school,’ said the principal, ‘is not to impart to our pupils a mass of

¹ *Special Report of the Board of Education of Great Britain on Schools, Public and Private, in the North of Europe.*

useful information—that is only a secondary aim. The principal aim is to impart to them a spiritual view of life, so that they may see there is some sense in their existence and some connection in all that happens, in little as in great events. They will thus be prepared to enter on the work of life with good hope and faith, the faith that there is a direction from above in all that happens. The students are of all ages over eighteen years, most of them being twenty and twenty-five, and come from all parts of the country and all classes of society, though the majority belong to the class of small freeholders and cottars, which is so numerous in our country.

“ ‘Now I should like to give you the picture of a single day here in the winter months, when we have from 190 to 200 young men under our care from the beginning of November to the end of March.

“ ‘The bell rings them up at 7 o’clock in the morning. They then dress, make their beds, sweep out their rooms, wash and at 7:30 are ready for a cup of coffee and a bun.

“ ‘At a quarter to eight the principal has morning prayers with his household; there also are to be found most of the students, though attendance is not compulsory. First a hymn is sung, then are repeated baptismal vows, the Apostles’ Creed and the Lord’s Prayer. Another short hymn brings the service to a close.

“ ‘At eight o’clock, four mornings in the week, I give a lecture on geography, and thereby I try to show the audience what relation there is between man and the earth, and how far the people in the various coun-

tries have succeeded in reducing the soil to subjection. A song suited to the theme is sung both before and after all lectures. On the two other mornings our Free Kirk clergyman lectures on Church history.

“ ‘Breakfast comes at 9:15 and consists of a couple of sandwiches and a glass of home-brewed ale.

“ ‘At half past nine the artisans go to a special department in a house a few minutes’ walk from here, where they are taught what belongs to their various trades; carpenters in one room, bricklayers in another, painters in a third, and so on. Most of their time there is taken up in learning to execute working drawings. Likewise the fishermen go to their special department, where they are taught navigation and the natural history of fishes and other water animals, sea-plants, etc.

“ ‘The farm-lads stay here in the central building and are divided into four classes held in various rooms; and for two hours practise writing and drawing. From twelve to one the principal gives a lecture on the history of Denmark, the political history as well as the history of civilization, dwelling more especially on the lives of noted men and women of the last century, whose work we are continuing.

“ ‘At half-past one comes dinner in the large room below.

“ ‘At half-past two the artisans and the fishermen go to their own departments again until six o’clock. The farm-lads in the meantime are taught accounts and arithmetic for an hour in two classes. At half-past three these last have gymnastics according to Ling’s system.

“ ‘At five various teachers lecture to the farm-lads only, on physics, on the geography of Denmark, on hygiene, and the history of the world.

“ ‘At six supper is taken.

“ ‘From 7:30 to 8:30 lectures for the whole school are given on the history of Danish literature by Mr. Hansen, and on various subjects by the other teachers, Mrs. Hansen twice a week reading aloud from the best of our poets, and I once a week showing lantern slides or glass photographs from all parts of the world, and explaining them to the pupils.

“ ‘From 8:30 to 9:30 the artisans and fishermen have their gymnastics while the others have leisure time for the rest of the evening. But you will understand there is not much leisure time for any of them; what there is, is used for writing letters, reading, conversing, playing or short walks.

“ ‘At 10:30 the electric light is put out in the schoolrooms.’ ”

The women's course, as numerous attended as the men's, extends over May, June and July; and whilst the lectures are much the same as those for the men, every kind of work done with the needle takes the place of the men's technical classes.

The schools all emphasize practical topics, such as applied surveying, geography, physics, chemistry, biology, sanitation and nature study.

All have handiwork and various phases of household economics for young women.

HOUSEHOLD ECONOMICS. In addition to these schools there are at least twelve rural schools of household economics in Denmark for women. They are located in the open country or in some rural village. They have a little land, usually 3 to 5 acres for supplies, and always a vegetable, fruit and flower garden as part of the school laboratory. The courses are usually six months in length, and the schools are open the entire year. The buildings are equipped with model kitchen, dining-room, living-room, chambers, etc., and the curriculum is as follows: Natural science, chemistry and physics, with special reference to the household; preparation of food, food values; the theory of household economics; household accounting; baking; butchering; curing meats; pickling; cleaning house, washing, ironing, etc.; plain sewing, dressmaking, patching, darning, fine needlework and embroidery; sanitation, including study of human anatomy, laws of health and farmhouse sanitation; garden culture and care of kitchen, fruit and flower garden; preparing vegetables and fruit for keeping and for winter use. Other subjects in

these schools are literature, gymnastics, song, rural sociology and reviews in any of the elementary subjects in which the student may be deficient.¹

But the feature of greatest interest in these schools for the *husmaend* is the short courses for men and women, young and old. These courses are two weeks in length, and begin on the first and third Tuesdays of every month, and continue ten months in the year. It is usually the older people who attend these short courses, and they are kept separate from the younger students in the longer courses. All these schools receive government support.

Each of the short, or two weeks', courses takes up one subject; bee raising, seed growing, chicken raising, fodder, etc., and all are arranged for the most suitable season. The students have free board, free instruction and free traveling both ways, and they may, if necessary, receive assistance to pay for the help needed at home because of their absence.

The Small Holders School in Zealand was founded by a man who had great sympathy for the *husmaend*. An immediate response came from the small farmers, for they felt the need

¹ Foght, *supra*, p. 35.

of such an institution. About five hundred of them offered to contribute 5 kroner each (\$1.40) toward the realization of the plan. A Zealand town presented some forty acres to the school. The remainder of the necessary capital was partly subscribed and partly covered by a loan from the Exchequer.

Some of the agricultural schools combine agricultural with practical work, both for those who will till the soil and those who will be country artisans, thus aiming to keep alive both branches of industry necessary to a well balanced rural life. Some, like that at Vallekilde, have the long day grouped about three main lecture periods of 60 minutes each. Lectures on such subjects as "Social Progress in Europe During the Latter Part of the Eighteenth Century" are regularly given before the young farmers, who seem remarkably well acquainted with Adam Smith, Malthus, Carlyle and Voltaire. It is not unusual to have each class period begin with some rousing folk song.¹

EXTENSION WORK. The work of all these various types of schools is supplemented by

¹ Foght, *supra*.

rural extension work which began in 1874 with a gathering of country folk at the Askov high school for a series of lectures and discussions. Soon other schools began to hold similar meetings for two-week periods in the autumn. When the buildings became inadequate meetings were held in nearby groves. The themes discussed cover a wide range of knowledge. At first only the regular folk high school lectures were included, but gradually the field was extended until now every phase of ethics, politics, agriculture and sociology are freely discussed. These gatherings resemble our own Chautauquas in some respects, but have no admission fee nor vaudeville attractions.

The community halls and gymnasiums which may be found in every rural district continue at home the work that has inspired some of the young people in the high schools. The state also lends aid to extension education by encouraging traveling courses in agriculture and household economics.¹

In addition to the regular schools an immense amount of other extension work is going on all of the time. There are lectures and circle work. Excursions are made to Copenhagen and else-

¹ Foght, p. 38.

where, while the cooperative societies have special textbooks for the use of the farmers. The papers and the magazines are universally read, while political and agricultural meetings are being held all the year round.

CHAPTER X

ELEMENTARY EDUCATION

ELEMENTARY education has much of the originality of the People's High Schools. It is adopted to prepare the child for life and to inspire a love of country and of agricultural things. Denmark, like Germany, has given the most intensive thought to education. As a result illiteracy has disappeared. It is only .002 per cent, which is a negligible figure in comparison with other countries. It is lower than in Germany, England, France or Switzerland. It is much lower than in the United States, where illiteracy amounts to 7.7 per cent.

Dr. Maurice F. Egan, former minister to Denmark, says that the Danes are probably the best educated people in the world. The farmer believes that education should fit his child for the kind of work he has to do. And the children issue from the elementary schools and pass on to the People's High Schools and the agricultural schools as a necessary completion of their education. Rider Haggard, who has spent

much time in Denmark and endeavored to arouse the British people to an interest in agriculture along Danish lines, tells the story of an English lady meeting a Danish lad on the highway, who came to help her when her carriage broke down. She found that he could speak German and French, and understood but did not speak English. She remarked that she doubted if she would find in England a farm laborer with such knowledge of languages. The boy replied, "Yes, but every one knows that the English are badly educated."

ADJUSTMENT TO LIFE OF PEOPLE. The Danish elementary schools are adjusted to rural life. Instruction, as in the People's High Schools, is simple and direct. Geography is made real by connecting it with the cooperative business in which the boy's father is interested. He is familiarized with other countries by reference to the export and import business carried on by the cooperative societies. This is indicative of the methods employed to vitalize education and identify it with the everyday life of the country.

Elementary education is free and compulsory from the age of 7 to 14, although most children

enter at 6 years. The law is rigorously enforced. The teachers, mostly men, are mature and earnest and devote their lives to their profession. They are comparatively well paid and are content with their lot; they rank high socially, and in most cases make use of their opportunities to become community leaders and organizers. That is one of the unique things about Denmark. The leader of the community is far more likely to be a teacher than a lawyer, a banker, or a business man. He is the political and social leader and is very likely to be an agitator for some political or social reform. This is especially true of the high school principals.

ELEMENTARY SCHOOL CURRICULUM. During the first years the course of study lays emphasis on language, geography, mathematics, and history, together with nature study, religious instruction, music, gymnastics and handwork for the girls. At fourteen or fifteen most Danish children are confirmed in the state church (Lutheran) and therewith ends free instruction so far as the state is concerned, except, of course, in the many state-aided folk high schools and agricultural schools, described earlier.

Following the elementary course those who desire to do so go to the Middle Schools, which exist in all the organized towns, and eventually through the Gymnasium and University. Most of them however remain on the farm. Later in life, at the age of eighteen or twenty, a goodly portion of them go to the folk high school for six months or a year.

How ADMINISTERED. The free elementary schools are administered jointly by the government, the church and the local authorities. General administrative supervision is vested in the Minister of Education, who is advised by educational specialists and has under his immediate direction national inspectors of music, gymnastics, etc. Uniformity is obtained through this central administration, but nevertheless substantial authority is placed in the local commune, whose taxes are the chief support of the schools. Local ecclesiastical authorities also play an important rôle in education. Each of the seventy-three deaneries of the country has a general board of education, which is the link between the Ministry of Education and the local commune, for the former does its work through the deanery boards. Finally each of the 1,134

country communes or parishes is divided into two or more schoolhouse districts. The schools of each parish are directed by the parish council.

The law provides that in the country districts the length of the school year shall be at least 41 weeks, six days a week. This does not mean, however, that each child must be in school all that time. Country children must receive at least 18 hours instruction weekly and children in provincial towns 21 hours. This does not include gymnastics, household economics and sloyd (the Scandinavian system of manual training) which are as a rule studied after school hours. The older children get four whole days and two half days' schooling in winter and three whole days and three half days in summer, while the order is reversed for the younger children. The maximum number of pupils in an elementary class is fixed at 35.

The subject matter of the course of study is organized in such a manner as to emphasize (1) thoroughness in fundamental subjects, (2) an understanding of the environment in which the children live, (3) familiarity with subjects of immediate social and economic value. The following table gives the curriculum for the last two years in the Ejby school and is typical of

what is taught in the average Danish rural school:¹

Subjects	Hrs. per week 6th year	Hrs. per week 7th year
Religion	3	3
Danish language and literature ...	7	8
Writing	1	1
Arithmetic and farm accounting ..	3	3
Special farm problems	1	2
Geography	2	2
History	2	2
Biology and agriculture	3	4
Song	1	1
Drawing	2	2
Gymnastics (boys)	1	1
Handwork (girls)	1	1
	<hr/>	<hr/>
	27	30
Extra gymnasium for girls, 22.		

METHODS OF TEACHING. Reading and spelling are not taught as separate arts but in an incidental way. There are no separate spelling books. The Danish language is largely taught by *doing*, that is by composition and dictation exercises. Children are taught to be painstaking and accurate. Geography and history hold a high place in the curriculum, and the Scandinavian countries are emphasized. Bible history lays a good foundation for general history. Nature study is taught informally throughout the first three years and in a manner to instill a love of nature. It is then continued as biology

¹ United States Bureau of Education, Bulletin No. 58, 1913.

and agriculture to the end of the course. Mental arithmetic receives more attention than it does in American schools, and the children are quick and accurate at it. Mr. Foght gives the following description of a recitation in mental arithmetic in the sixth grade:

“The sixth grade gave an interesting recitation in mental arithmetic, about one-half of the arithmetic period being devoted to mental drills. Hands went up with answers ready almost as soon as the figures were completed. A careful analysis was made of each problem. There seemed to be no laggards in the class, for all hands invariably went up. Common and decimal fractions were placed on the board one after another, by the teacher. For rapidity and accuracy the exercise was quite remarkable. The three American visitors, who themselves laid claim to some ability in ‘figuring,’ found it pretty difficult to keep pace with these sixth-grade farm children. More mental arithmetic in our own lower schools would probably be a good thing.”¹

Danish teachers must know how to teach music. Part songs are sung from the fifth grade up. Most of the country schools do not teach manual training, but the village schools do excellent work in sloyd.

¹ H. W. Foght, *supra*.

SCHOOL ARCHITECTURE. All new rural schools must be constructed in accordance with a circular issued by the Ministry of Education. The site must be large, sightly and sanitary, the building must be provided with good heating apparatus, floors and woodwork must be washed daily and the furniture wiped with a damp cloth. These are but a few of the provisions for keeping school buildings in proper condition. All the new schools have well equipped indoor gymnasiums, and those that were built before have outdoor playgrounds, fitted with gymnastic apparatus.

STATUS OF TEACHERS. Free homes are provided for all country teachers, ranging from three room suites for unmarried women teachers to seven and eight rooms for married men. As a rule these homes are built in close connection with the main school building. Where there are two teachers having suites in the school, each has a separate entrance. This system of housing teachers is very successful and does much toward developing community leadership in the teacher. Each teacher is entitled to a garden, planted to fruit, shrubbery and sometimes vegetables at community ex-

pense. This garden serves incidentally as the laboratory for the nature study classes. This still further contributes to making the school the rallying center for community activities.

All teachers must be trained in the state normal schools. The minimum requirement is graduation from one of the twenty state normal schools, which have a three years' course of study, and then a period of substituting before the final appointment is made. Once they have received an appointment teachers usually remain in a community the rest of their lives and grow up with it. The state sees to it that teachers are paid salaries commensurate with the long and severe training required. This has been the case particularly since the law of 1908. The state prescribes that a beginning "first" teacher, or teacher in charge of a one-teacher school, shall be paid not less than 900 kroner nor more than 1,400 kroner, which salary is paid by the commune. Adding to this the income from the garden, free rent and fuel, the living is comfortable. Every four years increases in salary are provided by the state, and the largest item of state aid to the schools is in this form. Second teachers and women teachers are paid

less at the beginning, but also on a sliding scale. After twenty years of service a teacher often enjoys an income of 3,400 kroner (including the items mentioned above), which, although only \$920 in our money, had in Denmark a purchasing value of \$1,500 to \$1,800. The average salary for teachers in rural and city schools in the United States is only \$485. Pensions are provided for all permanently employed teachers, which they may receive if sick or disabled even after only five years' service, the amount of the pension depending on the length of service. In the case of teachers who have developed tuberculosis while in the service, the rules are even more lenient. They receive a pension of two-thirds of their salary upon retirement. The above figures for salaries for Danish teachers are from before the war. During the war and especially by the law that went into effect October 1, 1919, the salaries have been considerably increased. A "first" teacher in the country now starts with a salary of about 4,000 kroner, and can reach 6,100 kroner. A "second" teacher begins with a salary of about 3,600 kroner, and can reach 5,140 kroner. Women teachers in the preparatory schools start at a salary of 2,800 kroner and can reach 3,750

kroner. In the cities the teachers begin with a salary of about 4,500 kroner and can reach 8,400 kroner.

The law provides that if the semi-annual reports on the cost of living, published by the Danish Statistical Department, show a rise in prices, the salaries of the teachers shall automatically be increased in proportion. This provision of automatic increases corresponding to the cost of living applies also to all government employees and an agreement to the same effect is in force in all industries and trades.

The community taxation for school purposes is enough to encourage local initiative, and the state aid to communities is sufficient to equalize the educational advantages for the nation. The government encourages the building of modern school structures by assisting in reducing the face of loans occasioned by the erection of such structures, including teachers' homes. It also pays for the maintenance of evening schools in the country and gives direct aid to poor and needy communes.

DEMOCRACY AND EDUCATION. In elementary education as in the high schools, we find a cross section of Denmark. Democracy, far from

leveling down, spends more generously for education and gives it far more thought than in England or in any of the monarchical or privileged countries in Europe. The teacher occupies a distinguished place in the community and the profession is esteemed highly by all classes. When one compares the freedom of the Danish teacher with the inquisitional methods employed in New York, in Washington and in other cities, when one considers the scrutiny of opinions by local boards of education all over the country, it is easy to understand why men and women are eager to enter the teaching profession in Denmark while they are escaping from it as rapidly as possible in this country.

Education in Denmark treats the teacher as a free person. It appeals to the best the instructors have to offer. It invites originality, research, stimulus and community activity, while in the United States these qualities are a dangerous thing for a teacher to possess. This is as true of our colleges as it is of our schools. We denature our teachers and wonder why teaching is so bad. It is not the lack of equipment, it is not a lack of talent; the reason teaching is lacking in inspiration in this country,

the reason why our schools are lacking in interest to the teacher and the pupil, is the position in which we have placed the teacher and the denial of any right to opinions or to action on any subject of vital or commanding interest to the community.

CHAPTER XI

THE SOUL OF THE PEOPLE

WHY has the world passed by the cultural possibilities of agriculture? Possibly the explanation, as Grundtvig suggested, is due to the fact that education has always been a privileged thing; it was for the purpose of training preachers, lawyers, teachers and gentlemen of leisure. Up to quite recently education was an exclusive thing. It was part of the caste organization of society. This is why the classical studies have persisted; this is why the practical sciences were so late in acquiring a status. And these old educational traditions still hover over us. They discredit utility, the bread-and-butter sciences, and the non-classical elements in education.

This is probably why agriculture has been so much neglected as a cultural study. Farming was the business of the peasant. It was never the business of the gentleman. Only very recently has the agricultural college begun to make its way. And it is still referred to as the

“short horn” school. Certainly there is as much culture in a knowledge of the processes of nature as in most of the activities of industry or the applied sciences.

Farming is a fine art in Denmark. It is the most important thing in the state. The debates of Parliament, the discussions in the press, the objectives of the schools, the concern, in fact, of all the people, is the well-being of the farmer. This is the motive of Denmark, just as banking, business, commerce, is the economic motive of other countries.

The Danish peasant has a dignity and a pride in his profession. He feels that it is worthy of his best efforts. And he is as interested in fine cattle, in his annual records of milk production and in his many activities as is the business or professional man of other countries.

FARMING AS A FINE ART. The Danish farmer studies hogs and chickens. He knows how a cow should be fed to produce the most and best butter. And he makes and packs his butter, eggs and bacon so that they will please his customer. A trademark has been adopted for butter, and all exports bearing this stamp must come up to a uniform standard. The farmer in-

sists upon the most careful supervision of his dairy and slaughterhouse in order that the reputation of his product may not suffer from an indifferent producer. He follows up complaints from the foreign market. A few years ago when there was a protest from England as to the quality of Danish butter, it was taken almost as a reflection upon the national honor. The state itself stimulates agriculture. Commissions study foreign markets. Experts are sent out by the government and the university to aid the farmer and his wife. Stock is bred with the greatest care, while chickens are selected for their quality as egg producers. Soil is studied and the latest agricultural and dairy-ing implements are bought either cooperatively or by groups of men in the same village. Hardly anything is left to chance. The careless and indifferent farmer is not permitted to spoil the reputation of the state. This is the spirit that animates all Denmark.

BREEDING FINE CATTLE. The government grants a subsidy of 200,000 kroner a year to the experimental stations. There are in addition over 100 cooperative experiment stations maintained by the farmers themselves. In this way

the breed of cattle is improved. It is worthy of note that since 1897 the value of agricultural products has increased 50 per cent, owing largely to the scientific methods which have been introduced.

Conferences are held during the summer and the winter. The state university and the agricultural schools promote scientific agriculture while lecturers go out from Copenhagen to the most remote villages. As a result of all these activities the farmer is stimulated to a pride in his calling. He is not unlike the scientist working in his laboratory. And he has carried something of the enthusiasm of the scientist to his work. This has created a pride in agriculture and with it a kind of culture as real as a culture of the university. The farmer has become a keen and persistent politician. And he follows politics with the zest of the ward worker. The farmer supports a diversified press. He keeps in touch with the People's High Schools. He has created, in fact, a farm life which is unequalled in the world.

RESULTS OF THE POLICY. Speaking of the improvement which has come in farming and farm products, as a result of this intensive produc-

tion, the Hon. Maurice F. Egan, former ambassador of the United States to Denmark, says:

“Danish butter commands the best price in the English market because its quality is invariable. There is no falling off either in richness or in flavor or quantity in the winter. And so careful are the creameries as to the flavor of the milk that there are certain foodstuffs forbidden to be fed to the cows. The utmost care is used by the Danish farmers to preserve the flavor of their milk. That this is successful is due to team work. The natural competitors of the Danish butter makers in the English market would be the Irish for whom the Right Hon. Sir Horace Plunkett, copying Danish methods, has been the wisest of guides. Irish grass makes the most exquisitely flavored butter in the market, but the Irish have not caught the art of Danish cooperation, and for some unexplainable reason they do not make butter for export in winter. Not very long ago there was a complaint from England that the quality of Danish butter was falling off. It was treated in Denmark as if the national honor had been attacked and whatever reason of complaint existed was removed at once by the unanimous consent of the nation. It was not a local question but a national one.

“The scientific treatment of the cow is never relaxed for a moment. It has become a habit with the large and the small farmer and his dependents. The cow to him is a milking machine whose power of production is to be approached exactly as if she was

of steel and iron. The Danish farmer takes few chances. The unhappy chance he has to take is from the foot and mouth disease against which he and his government use the most drastic measures. In one great farm in Denmark precautions against tuberculosis are carried so far that each cow has her own drinking vessels and every precaution is taken to keep her from infection should there be danger.”¹

STUDYING Cows. Cattle are generally stall fed. “Practically all Danish cows are kept in stables for the greater portion of their lives. Many of them indeed are lifelong prisoners. The sheds are built in a large and airy style, and the atmosphere within them is just as pure as the air over the fields. For exercise the animals are taken to be watered once a day. The effect of rain and cold on the yield of milk is known to a nicety. Those fortunate cattle which are placed in the fields in the summer are tied to a stake with a range of but eight yards.’

“An inspector from the Scientific Control Association visits the farms once every three weeks. Each cow is examined, its yield of milk, the percentage of butter fat, the amount of fodder consumed, are analyzed and the surplus cal-

¹ Address by Hon. Maurice Francis Egan, Government Printing Office, Senate Document, No. 992, 62nd Congress, 3rd Session.

culated. It is thus possible for each farmer to know precisely how each cow pays him and further to compare his animals with those of his neighbors. As soon as a cow ceases to pay it is fed up for the butcher.”¹

¹ *Denmark and the Danes*, p. 135.

CHAPTER XII

A GOVERNMENT OF FARMERS

THE farmers, and during the war the farmers and socialists, control the government of Denmark. This is another explanation of the country. Denmark is one of the few states in the world in which the privileged classes have been exiled from political power, by means of the ballot. The Danish peasant and the Danish worker have carried political democracy farther than in any other country. They first reduced the authority of the king. The landed aristocracy were next shorn of power. For over a generation the peasants have controlled the lower house, and along with the workers they now control both houses of Parliament, the cabinet and all of the governing agencies of the country. Denmark is a political democracy in the fullest sense of the term.

THE BEGINNING OF THE POLITICAL REVOLUTION.
The beginning of the control of the state by the peasants dates back to about 1872, when

the farmers after a long struggle obtained a majority of the lower house of Parliament. Prior to this time political controversies had waged about external politics and especially over the question of Sleswig-Holstein.

GOVERNMENT BY THE PEASANTS. During the greater part of this period from 1872 to 1920, the peasants have had a working majority in the lower house. With the exception of the war period when a more radical group was in power they have shaped legislation during these years. The tariff has been reduced to an average of five per cent. The Danish peasant is willing to stand on his own feet. He did not even demand a protective tariff when the cheaper wheat of America threatened him with bankruptcy, about the middle of the last century. He set to work to change agricultural methods, so that no competition could reach him unless it were more efficient. The railroads were operated by the state in the interest of agriculture. Rates were adjusted to encourage exports. There is very little concern over profits. In fact, the railroads earn barely two per cent on the capital. In railroading and in taxation, politics in Den-

mark reflects the interest of the majority of the people.

The evolution of Danish politics presents in a vivid way the widening out of power that has been going on all over the world since the French Revolution. It represents the substitution of one group after another. With the shifting of political power, new issues emerged. International questions and militarism sank into the background. The one desire of the Danish people is for peace and for conditions which make for just international relations and just domestic relations as well.

ECONOMIC CLASSES IN DANISH POLITICS. In order to understand this evolution it is necessary to understand the several economic groups in the country. The line of cleavage is along economic and landed lines. And the political parties quite frankly represent the economic interest of their members. There is first the king, who is a popular constitutional monarch responsive to the will of the people. He is retained as a titular monarch because of his acquiescence in democratic institutions. Next there is the remnant of the old landed aristocracy, that still owns a limited number of great estates that

have come down to the owners from earlier times. More or less closely associated with the aristocracy is the financial or capitalist class which has far less power than in other European countries.

The peasants have long been the ruling group. They are known as *gaardmaend*. From about 1875 they formed the majority party in the lower house of Parliament. The *gaardmaend* is a home-owning farmer, whose farm averages from 12 to 150 acres. There are somewhat over 100,000 farmers in this class. And it has been this group that has been responsible for the democratic legislation, the development of education, of cooperation, and the democratization of the government during the last forty years. It is they who have made Denmark an experiment station not only in agriculture but in democracy as well.

Below the *gaardmaend* are the *husmaend*. They are a highly interesting class. They with the socialists of the towns form the more radical group. They correspond to the agricultural workers or serfs of other European countries. As a class they are either owners of small bits of land of from $\frac{1}{3}$ an acre to twelve acres in extent, or are agricultural workers on the farms

of the peasants and the great estate owners. The *husmaend* form the lowest class in the economic scale. They have to eke out a living by working for some one else. In recent years they have become class conscious. They have formed a political party and have entered politics. They have built schools for themselves. They have a press of their own. There are 125,000 of these very small farm holders in the country. Associated with the *husmaend* are the agricultural workers and tenants.

TAXATION OF LAND VALUES. One would not expect the single tax or the taxation of land values to be a political issue in a country like Denmark, where the ruling economic class is the farmer. Yet the single tax has been forced on the Danish peasants; first by the method of assessing the income tax, and second, by the unwillingness of the large estate owners to permit their holdings to be split up into small farms. The taxes of the *husmaend* may be five times the taxes of the *gaardmaend*, and nine times the taxes of the large estate owners. The state assumes that the owner of a small piece of land will produce more per acre than the owner of a

large area. And it adopts this assumption as the basis for assessing the tax. As a result the *husmaend* saw that he was taxed on the basis of his industry and thrift, rather than on the basis of his opportunities. He was punished for making his land more fertile than the large landowner or the peasant. Being a free-trader, and believing in direct taxation, he argued that all land of equal fertility should be taxed alike. In addition, he argued that by means of taxation the larger estates would be more readily broken up and he would be able to secure a holding of his own at a low cost. The large landowners whose estates were being broken up were demanding speculative prices for their holdings, as a result of the assistance that was being rendered by the state. Increased land taxation, it was argued by the *husmaend*, would make the great estate owners more willing to sell. So he joined with the agricultural workers and the artisans of the city in a declaration for the taxation of land values and the abolition of all duties and taxes levied upon articles of consumption. As a result of long agitation, the land of Denmark has been revalued so as to provide a basis for land value taxation, and new taxes are being registered in conformity

with the political demands of the agricultural workers.

SOCIALISTS. The socialists of Denmark are of the moderate type. They have drawn to their support a considerable portion of the agricultural workers, while in Copenhagen they have attracted the journalists, the professional men and small tradesmen to their ranks. The elections of 1917 resulted in 1,479 socialists being elected to various offices in the town and rural community councils, while in fourteen cities, including Copenhagen, the socialists obtained a majority of the council.

The socialist movement has an intellectual quality. I know of no country where the socialists and trade unionists have developed educational, cultural and press agencies as they have in Denmark. The University of Copenhagen has entered into sympathetic relationship with trade unionists, and has provided educational work to meet their demands. The radical press enjoys a wide circulation. It has contributed much to the education of the working classes and has aided them in the development of their political and economic program.

Socialists have developed the cooperative

movement to some extent in the towns. It is a great cohesive force. The workers operate bakeries, laundries and general stores. Latterly they have joined with the peasants in a scheme of cooperative banking.

For years the radical groups have been urging a revision of taxation so that it would bear more heavily upon well-to-do classes. As a result of these efforts 55 per cent of all state taxes are now direct, whereas six years ago only 26 per cent of the revenues were collected from direct sources.

Danish politics are peculiar in the fact that the issues before the voters are so clearly and obviously economic. The several parties from distinct economic groups and the line of division is clearly recognized by everybody. For one hundred years the political power in the state has been shifting from one group to the other; first from the king to the landed aristocracy; then from the landed aristocracy to the peasants or farmers; and finally from the farmers to the agricultural workers and the artisans of the city.

CHAPTER XIII

ENDING LANDLORDISM

IN other chapters we have seen how the Danish farmer had become a middleman, a distributor and a capitalist: of how he had invaded the field of slaughtering, dairying, the collection and sale of farm products as well as the buying and selling of merchandise through cooperative agencies. The Dane has chosen to work through cooperative agencies rather than through state socialism as in Germany and Switzerland. The Dane is an individualist where individualism is most efficient and a socialist where the state is most efficient.

Landlordism was a political problem. It could be ended only by political action. And the peasants are abolishing the landlord as a claimant on labor, just as they abolished the middleman. Not that any such program is announced; not that the peasant is a Marxian or an evolutionary socialist; rather he is proceeding to be rid of one economic exploiter after another as he observes its effect upon the coun-

try. In time, and in a very short time, the Danish farmer will be a self-contained economic unit, owning the major agencies of production and distribution, himself.

THE ENDING OF LANDLORDISM. Landlordism is rapidly disappearing. "The day of landlordism, absentee or otherwise," says a report of the United States Bureau of Education, "is a thing of the past in Denmark." This is not literally true, but it is nearly so. According to the latest statistics of land ownership, only 10.1 of the farmers of Denmark are tenants while 89.9 per cent are owners. At the present rate of progress the farm tenant will disappear in a few years' time.

The Danish farmer is thus a landowner, a capitalist, a middleman and a worker. He is almost completely self-contained. This is the more remarkable in view of the fact that up to a short time ago Denmark was a state in which much of the land was owned by the old nobility whose estates had come down to them from medieval times.

STATE AID TO WOULD-BE FARMERS. State aid to tenants had its beginning in a law passed in

1875 for the creation of credit banks which received aid from the state and whose object was to assist men to purchase small holdings of land. This was as far as the first measure went. About the same time the state offered prizes to small holders who worked their properties most skillfully, while grants were made to them for study and traveling purposes. The conversion of the tenant into the owner proceeded with such rapidity that the labor supply was being affected. The big estate owners were losing their hands. This increased wages. And as the big estate owners were influential in Parliament and controlled the upper house, they endeavored to check the land distribution movement by making the size of the holding so small that the state-aided farmers would have to accept work on the large estates to eke out an existence. This is the policy that was followed in Germany as well. It was a new means of tying the men to the old feudal nobility. But this effort was unsuccessful. And during the intervening years laws have been enacted in 1899, 1904 and 1909 by which the nation has entered on a big program of land distribution. Under the Act passed in 1899 two million kroner a year were appropriated for this purpose. This sum was

subsequently increased to five million kroner a year. The fund so created is used as a revolving loan fund to enable would-be farmers to acquire an estate.

TERMS OF LOANS TO FARM PURCHASERS. Under the terms of this act any one possessing a small sum of ready money and able to satisfy the committee in charge of the distribution of the fund that he is likely to succeed is able to secure aid in the purchase of a farm. There are several conditions the applicant must meet:

(1) He must be over 25 and under 50 years of age.

(2) He must have been a tenant or agricultural worker for at least four years and be able to satisfy the state by the guarantee of two persons of good standing as to his character.

(3) He must demonstrate his good faith by providing one-tenth of the cost of the land he desires to purchase and a sufficient sum in addition to reasonably undertake the management of a farm. When these conditions have been satisfied, when the applicant has been examined by a local committee and approved, the state supplies the other nine-tenths of the cost of the farm from the public funds.

The maximum price originally fixed for the purchase of a holding was \$1,100, which included the value of the land, improvements, live stock, etc. Later the maximum purchase price was increased to \$3,200. The minimum area that may be acquired is 5 acres. Experience has shown the average size of the holdings acquired to be between 7 and 8 acres. The loans advanced by the state are made as easy as possible for the purchasers. The rate of interest is 4 per cent and payments must be made as follows: During the first five years only interest on the capital is required. This gives the farmer a breathing spell and an opportunity to get started. Then the total loan is divided into two parts, one of two-fifths and the other of three-fifths. The three-fifths section is converted into what may be called public stock and is placed on the market for sale with the guaranty of the state behind it. It is sold through the Mortgage Bank of Denmark. On the other two-fifths of the loan, not sold as public stock, the borrowing farmer must pay 5 per cent interest, one per cent of which is used for a sinking fund for the repayment of the principal. When the two-fifths section has been paid off in an estimated period of 46½ years, the three-fifths

section is then converted into public stock to be paid off in the same manner, the entire loan being repaid in 98 years. The administration of this fund is in the hands of local commissions who make the loans and supervise the investments and watch over the loan. These commissions first investigate the character of the applicant and if the loan is approved the commission dictates for what purposes the money shall be spent.

About \$1,340,000 is advanced annually to small owners for the purchase of farms. From 1900 to 1916 a total of 8,200 farmers had been aided in this way. The average size of the farms is seven acres and the total area of the first 5,777 farms so divided was 48,748 acres. The average cost of the farms was \$81 an acre.¹

Applications for loans were more numerous than could be accommodated out of the state appropriation, and from the beginning it was necessary to select the most promising candidates. All told the state has advanced about \$12,500,000 for this purpose.

INCREASE IN FARM OWNERS. As a result of these measures the number of individual farms

¹ *Co-operation in Danish Agriculture*, Faber, p. 162.

owned by operators has increased rapidly. The total number of farms in 1850 was 180,090. In 1905 they had increased to 289,130.

During the same period the freehold farms increased from 103,518 or 57.5 per cent to 259,874 or 89.9 per cent. The tenant farms decreased during the period from 76,572 or 42.5 per cent to 29,256 or 10.1 per cent.

Of the total population of 935,292 engaged in agriculture in 1911, 535,758 were employers and their dependents and 399,534 were employees or their dependents.¹

Objection was made by the large estate owners, who opposed these measures, that the 10 per cent provided by the applicant was too small a security for the state. It was urged that the state aid should be reduced to a smaller sum. But experience has not justified this contention. There have been very few mortgage foreclosures and no loss to the state.

The laws referred to have undoubtedly increased the value of agricultural land. This has added to the burdens of the state-aided farmers, just as it has in Ireland. Since 1878 the price of land has increased 53.8 per cent, but in the

¹ *Co-operation in Danish Agriculture*, Harald Faber, p. 161.

same period the value of the harvest has increased 100 per cent.

The large landowners sought to take advantage of the Act by selling the worst sections of their holdings at high prices. This attempt has been met by the organization of Land Purchase Societies, which are another form of co-operation. These societies are made up of farmers who desire state loans and who combine into unions for the purpose of buying good lands. The state makes loans to these societies on conditions somewhat similar to those offered to the small land purchasers.

The state-aided farmers have proved to be the most efficient of agriculturists. The number of agricultural bankruptcies has diminished in recent years. During the last five years prior to the war the number of failures was 12 per cent lower than during the preceding eight years, while the number of properties sold under foreclosure or compulsory sale was 40 per cent less. The value of horses, cattle, machinery, etc. has been increased by 43 per cent during the 15 years before the war.

THE NEW DANISH LAND LAWS. During the War, the radical-socialist group came into

political power. A large number of *husmaend* deputies were elected to the Rigsdag whose main interest was in the easy acquisition of land and more generous provision by the state for its purchase. The demand for land was stimulated by the decrease of emigration to America. In ordinary times between seven and eight thousand Danes emigrate to the United States every year. Most of them become farmers, settling in the Middle West, where they have always been well received, and have contributed greatly to the development of the country. In addition war prices gave a speculative value to land which greatly increased the difficulties of the would-be purchaser.

The radical ministry undertook the relief of this situation by a series of measures which provided for the easier expropriation of the larger estates and more generous appropriations from the state treasury for the purchase of small holdings. These laws included a new form of proprietorship through a state leasehold. They provided that any man qualified to vote for a member of the lower house of the Rigsdag; who could secure a certificate from the town council that he was a sober and industrious person; and who could presumably

care for a small farm, was provided with means to do so. To obtain land under these laws, no purchase money was required from the prospective owner. He was only required to pay interest on the value of the land, fixed by the law at four and one-half per cent.

This is the most radical legal step yet taken by any country in the promotion of farm ownership. The new small holders rent their farms from the state, the rentals being determined by the value of the land, which is periodically reappraised. To aid the tenants in making improvements, the state advances money on favorable terms. Loans are granted from the state treasury up to nine-tenths of the total cost of the buildings, upon which loans the borrowers are not required to pay interest for the first ten years on more than it would have cost to erect the buildings in 1914. The farmer who obtains a farm under these laws enjoys most of the rights of an owner. He can devise the farm to his children. If he wishes to sell, the state has the first right to buy at the price of appraisal, the owner being fully compensated for his improvements. To secure land and provide money for this program, legislation was enacted for dividing up portions of the great estates as well

as the land attached to the residences of the state clergy. Under the latter law it is expected that the state will come into possession of 100,000 acres of land, while 125,000 other acres will be taken from entailed estates owned for the most part by the old nobility. As a result of these expropriation and settlement proceedings, approximately ten thousand families will be aided to acquire their own homes and become independent farmers.

CREDIT UNIONS TO AID FARMERS. In addition to the credit agencies referred to above there are many organizations of a cooperative sort to assist the farmer who already owns a farm. There are twelve such credit unions in Denmark, each operating in its own section of the country. These unions have made loans on mortgage upon more than 236,000 properties. Their average annual losses during ten years have been only one-third of one per cent, and these have been made good out of the reserve funds which amounted in 1914 to \$20,400,000. Of the twelve credit unions two are Small Holders Credit Unions for making loans to the *husmaend*. To encourage these unions the government guarantees their bonds up to 4 per cent interest, and

as a result of this guarantee these securities enjoyed before the war a somewhat higher value in the market than those of the purely voluntary credit unions.

The credit societies are of great assistance to the farmer. Any farm owner in good standing can go to the credit union in his region and sign a promissory note acknowledging that he is indebted to the amount of the loan. He then executes a mortgage upon his farm to the credit union, which in turn issues notes to him that he is able to dispose of anywhere. They have the security of the credit union behind them and are easily negotiable. The farmer pays a fixed sum annually or semi-annually to the union, amounting to 65/100 per cent per annum in addition to the interest upon the mortgage. One-half of one per cent is for the amortization of the debt which is to be repaid in sixty years' time. The loan so made is limited to 60 per cent of the value of the property. The bonds or notes issued by these credit unions to farmers are sold upon the stock exchange or privately the same as any other merchandise or security whose price is subject to quotations. The credit unions are purely voluntary. They receive no aid from the government. They make no

loans on the personal credit of the borrower but confine themselves to mortgages upon the land.

FARM INDEBTEDNESS. It is claimed that the ease with which the Danish farmer secures credit through the many agencies created for his assistance has led to a rapid increase in farm indebtedness. The land is said to be burdened up to 50 per cent of its value upon which the peasants pay over \$100,000,000 in interest charges. Moreover, the rapid improvement in agricultural methods has involved heavy expenditures for machinery which has still further increased the indebtedness of the farmers. However that may be, the Dane is his own master. He is rapidly abolishing tenancy. And the efficiency of the country is largely traceable to this fact.

CHAPTER XIV

SOCIAL LEGISLATION

ONE would not expect an agricultural country to be greatly interested in the industrial worker or in legislation designed to improve his condition. The farmer usually has the capitalist point of view; he is interested in securing his labor as cheap as possible, and is unwilling to burden himself with taxes for social legislation. This has been the attitude of the farmer up to very recently in this country, and with the exception of the coalition between the farmers and the workers in North Dakota and Minnesota there has been little suggestion of a community of interest between these economic groups.

Denmark is predominantly an agricultural country. There is no mining and but little industry. The commercial classes have little political strength and the thousands of cooperative societies have weakened the power of the business interests.

DENMARK A PACEMAKER. Despite these facts, Denmark has long been a pacemaker in social

legislation. She anticipated many countries in her social insurance laws and pioneered in many fields for the protection of women and child workers as well as for the ablebodied artisan. The social insurance laws for men, women and children (1914) were probably in advance of the laws of any country in the world. The average working day before the war was but 9.8 hours in length, the age limit for child factory workers being fourteen years. Working mothers receive maternity insurance in the form of a subsidy from the state for one month after the child is born, while other laws look after the health and well-being of the woman worker.

Social legislation began with old age pensions, the first act being passed in 1891. Partly as a result of this measure the number of persons receiving poor relief in Copenhagen has fallen until it is about $2\frac{1}{2}$ per cent of the population at the present time. Measured by European standards the pension allowances are generous. The state does not require that the recipient shall have contributed to the funds out of which the pensions are paid. The money is raised by taxation and in recent years the amounts have been materially increased.

OLD AGE PENSIONS. Pensions are granted to any needy and worthy person who has completed his sixtieth year and who has not received poor relief during the previous five years. The pensions are not granted as charity and in no way degrade the recipient. The allowances are not lavish but they go a long way in Denmark. They vary with the necessities of the case, but average about \$70 a year, being somewhat larger in the towns than in the country. The pension may be given either in money or in kind, or the recipient may be taken into a home. Several homes have been specially built to accommodate this class of people. Twenty-two per cent of the people who have passed the age of 60 are helped by these pensions, the expense of which is borne one-half by the state and one-half by the local government.

WIDOWS' PENSIONS. Under the widows' pensions act, which became effective January 1, 1914, every widow who is the mother of a child or children under 14, whose property and income is less than a certain amount proportionate to the size of her family, is entitled to a public grant toward the support of her family.

The amount of assistance varies according to the age of the children, the highest allowance being made for children under two years of age. In exceptional cases the aid may be extended till the child is 18 years of age. The grants are not pauperizing; in fact the purpose is to avoid this very thing. They are given only to mothers who measure up to a certain standard of fitness and whose homes are proper places for bringing up children. They are conditional upon the mother's not becoming a subject of public charity. Half the expense involved in these widows' pensions is borne by the state and the rest by the community in which the widow lives.¹

For each child under two the widowed mother receives \$40.00 a year as state aid. For each child between four and twelve \$32 is granted, and for each child between twelve and fourteen the allowance is \$24.00 per annum.

SICKNESS INSURANCE. Insurance against sickness has also been widely extended. More than one-half of the adult population of Denmark belong to the sick clubs or mutual sick benefit as-

¹ United States Department of Labor, Children's Bureau, "Laws Relating to Mothers' Pensions in the United States, Denmark and New Zealand." Bureau publication No. 7.

sociations of the country which confer sick benefits. There are about 1,500 of these societies registered which receive official recognition and subsidies from the state. They have a total membership of 1,136,181 persons. A club must have a membership of at least 150 to receive state aid and membership is restricted to the working classes. The benefits paid by the state in cash amount to about \$1,150,000 a year. Each club is limited in its activities to a designated town or parish. The assistance granted by the government amounts to 54 cents for each member on the rolls and 34 cents per annum towards the fee of each member. The annual dues of members are \$4.00 in Copenhagen, \$2.75 in smaller towns and \$1.25 in the country. The benefits to which a member is entitled in case of illness are free medical assistance and nursing, also a cash grant, which may not, however, exceed two-thirds of his earnings, with a fixed minimum of 12 cents per day. This assistance is given for thirteen weeks and sometimes for twenty-six. No one whose income is over \$500 or who is above 40 years of age is eligible to membership in the sick clubs.

When new tuberculosis sanatoria are erected the government contributes \$400 for each bed.

Members of sick clubs may secure treatment at these and other state aided hospitals at half charge.

Fishermen are subject to a special state insurance board, to which they are required to pay \$1.50 a year. In sickness they receive 40 cents a day, in invalidity a sum of \$1,000, and in case of death \$700 is paid to the relatives. The benefits are also extended to sailors in the mercantile marine.

Much is done by the state in the way of sending city school children into the country for the summer holidays. This movement has been made possible by free tickets given the children on the state railways and steamers and by farmers and others receiving them free of charge. During the summer of 1902 more than one-third of the children in the Frederiksberg municipal schools were enabled to spend their summer in this way.¹

The number of unemployed in the cities, especially Copenhagen, reaches rather high figures at certain periods of the year, being sometimes as much as 10 per cent of the laboring population in winter. But good facilities have

¹ *Denmark and the Danes*, Harvey, p. 315. See *Danish Life in Town and Country*, Brochner, p. 37.

been developed for meeting the situation. The trade unions are strong. In 1898 the cooperative union of the various trade unions in Copenhagen was effected, and this organization has ever since held a firm grip on Copenhagen trade unionism. The labor exchanges in Copenhagen alone find employment for 40,000 workers a year.

OUT OF WORK INSURANCE. Denmark was the first country to provide a public system of "out of work insurance" on a national scale. The idea was first promoted by the socialists and was referred to a special commission to consider. The bill reported by the commission was accepted by all parties and became a law in 1907. It was necessary for the success of the plan that a large number of persons should come under its operation, and this was attained through the labor unions, which were able to compel their members to insure themselves and which already provided insurance of this and other kinds. The associations which control the unemployment funds are organized on the same basis as the sick funds which had expanded to great proportions in the preceding ten years. The sole object is to support the members in case of un-

employment, when this is not due to strike, sickness, arrest, military service, or caused by the worker himself having thrown up his employment without reasonable excuse or been dismissed for drunkenness or wilful misconduct. Members are also excluded from benefits who are in receipt of poor relief or who refuse to accept work secured for them by the Fund Committee. The minimum age limit is 18 and the maximum 60.

The Unemployment Funds are supervised by the government, to see that their treasury is managed separate from the regular trade union funds and also to prevent any expenditure for strike pay. The funds are provided (1) by assessments on the members, (2) from municipal grants and (3) from state aid, the state contributing one-half the amount raised from all other sources. The assessments upon the members are about 28 cents a month, which entitles the contributing member to a daily benefit of from 14 to 54 cents during the period he is out of employment. Employers are not bound to contribute to the funds and have no voice in their management. The insurance does not cover strikes or lockouts.

In order to enjoy recognition under the law

and receive support from the state the following conditions must be observed:

The fund must have at least 60 members and be confined to a definite trade or district. A fund, however, may be nationwide and have local divisions.

The law provides that the insurance paid shall not exceed two-thirds of the ordinary daily wage of the workman in question, but other assistance may be given as an aid to traveling, for rent or other purposes. An applicant for aid must have been a member of the fund and have paid his assessment for twelve months prior to his claim.

Each fund elects its own committee of administration. The regulations adopted must be approved by the state authorities and the books be open to inspection. An annual meeting of representatives of all the funds is held, which elects a permanent committee of six which, with a state official, serves as a general supervisory committee and a connecting link between them and the state.

The first year's contribution by the state was limited to \$75,000, which was shortly after raised to \$315,000. Within the first few years forty funds were organized with about 75,000

members. Each fund covered a different trade, as bakers, textile workers, engineers, etc., and most of them extend their activity over the entire country.

One reason for the immediate success of the plan was the experience and training of the men in trade unions and cooperative societies. Such troubles as have arisen have related to the details of administration rather than to the principle. Nor has the fear that the funds would be used almost exclusively by those who had reason to fear periodic unemployment, proven well founded. The Danish workman is always a trade unionist, and he enters the employment fund organized by his trade as a matter of course. Labor exchanges are operated in connection with the funds so that the workman cannot avoid work if it is found for him. By 1911 there were 51 funds with a total membership of 105,000. More than two-thirds of the industrial workers of Denmark, women as well as men, are members.¹

Cooperative societies are not as well developed among the working classes as in the country districts, although the unions are fostering

¹ "Social Denmark," P. Schou, *Quarterly Journal of Economics*, November, 1912.

them. The trade unions are socialistic in character, but the socialism is of the reform rather than the Marxian type.

TRADE UNIONS. There are about 1,500 trade unions in the country with a membership of 122,000. The employers are also united into an association. As the result of a labor controversy in which 40,000 men were locked out, an agreement was reached between the unions and the employers, which laid down definite regulations for collective bargaining, the giving notice of strikes and lockouts, and for other industrial proceedings.

In order to assist in the enforcement of such agreements the state has created a special court composed of employers and employees, with a jurist as umpire, the object of the court being the interpretation of collective contracts. There is also an official "conciliator," appointed by the state, whose business it is to ascertain full particulars about disputes and offer official mediation. The award of the conciliator is not binding on the parties, but the conciliator may publish the result of his investigation and bring public opinion to bear on the recalcitrant party.

The workmen's compensation act provides

for a special board, which fixes the amount to be paid by employers to workmen injured in industrial accidents. This board is composed of representatives of employers and employees in equal number, together with some members appointed by the state, one of whom acts as chairman. This act formerly applied only to industrial workers in the stricter sense, but it now applies to agricultural laborers and sailors as well.

From this it will be seen that Denmark, though an agricultural country, has enacted a program of industrial legislation fairly comparable to that of Great Britain, Germany, Australia or Switzerland.

CHAPTER XV

RAILWAYS

THE railroads of Denmark are operated as an agency of service. They are the country's circulating system. The only controversies are over the question of whether rates charged are the best that could be devised for the encouragement of the producer and the convenience of the people. The roads are not operated to make profit. They earn scarcely two per cent on their capital. Many lines have been built into new and unprofitable territory for the purpose of opening up the country. This has imposed additional burdens upon the operating costs.

STATE OWNERSHIP. All of the main railways are owned by the state. And during the ten years prior to 1900 they have developed very rapidly. This was due to the action of the government. A number of new roads were built through parts of Jutland which was sparsely settled. As a result, there has been a gratifying

increase in population. In fact, no part of Denmark has developed so rapidly as the infertile regions whose upbuilding was stimulated by the opening up of transportation.

The means employed by the government to develop the railroad system have been two: (1) The installation of great steam ferries over all the important stretches of sea; and (2) the institution of very low passenger and freight rates, especially for journeys of considerable length, such as those between the island of Jutland and those across the entire country.

STEAM FERRIES. Great steam ferries are equipped to carry passenger and freight trains across the sea without trans-shipment. Some of these ferries ply across waters as much as 18.6 miles wide, where the sea is often very rough. Some ferries are so large that with two sets of tracks they can carry from sixteen to eighteen 10-ton trucks.

The smaller steam ferries, used for shorter crossings, have but a single set of rails and can carry five to six freight trucks. The ferries are all good sea boats and are fast and steady. By means of these steam ferries a through mail route has been established from Sweden and

Norway with the rest of Europe. A loaded truck coming from France, Holland, Germany or any other country in central or southern Europe can run without trans-shipment through Denmark via Jutland, the Little Belt, Funen, the Great Belt, Sealand, the Sound, to Stockholm, Gothenburg, Christiania or any other station on the Swedish or Norwegian standard gauge lines. In 1903 there was established another "moveable railway" between Warnemünde in Mecklenburg and Gedser in the Danish islands, crossing the Baltic where it is 26.1 miles across. Mecklenburg and Denmark co-operated in this undertaking.

PASSENGER AND FREIGHT RATE. Till 1903 the rates on the Danish railroads were very low as compared with other countries, and even the revision which took place in that year did not appreciably increase them. Passenger rates for a return trip journey of 373 miles cost

	Denmark	Prussia
1st class	\$8.90	\$18.00
2nd class	5.56	13.50
3rd class	3.32	9.00

¹ Rimestad, Bulletin International Railway Congress, Jan.-Dec., 1903.

Freight rates for ten tons of goods over the same route were as follows:

Commodity	Denmark	Prussia
10 tons of butter	\$33.00	\$93.00
10 tons building timber ...	24.30	48.00
10 tons stone	10.00	36.00

The weak side of the Danish railways, if it is a weak side, was and still is their earnings. In 1902-1903 the state lines earned only 1.5 to 2 per cent on the capital. This was not due to inefficiency of state operation as is frequently stated, but to the fact that Danish legislators believed that the lowest possible rates with vigorous development of new territory and quick and cheap communication should be of first consideration. These views have changed to some extent in recent years.

There was a general organization of the railroads in 1895, when by act of Parliament the basis on which rates should be charged, as well as the conditions under which traffic should be carried, were settled. The principles on which rates were fixed were (1) that they should be such as to help in the economic development of Denmark, and (2) that they should decrease rapidly per mile as the distance increased.

REVISION OF RATES. In 1898 a commission was created to consider a revision of the railroad administration. It consisted of eighteen members. After a careful study the commission presented a very full report, which was reported at the 1902-1903 session of the Rigsdag. It dealt mainly with (1) rules to be followed in organizing the railroads; (2) the fixation of charges; (3) wages of the staff.

Most interesting of the commission's conclusions was that concerning rates and profits. There was general agreement that the railroads should yield greater profits than had been the case theretofore, but the commission recommended that rates should be increased only with the greatest caution. The commission stated: "The geographical lie of the provinces—the position of the country preventing the development of transit traffic—the poverty of Denmark in minerals, which elsewhere provide a lucrative source of traffic; and lastly the obligation in the true interest of civilization to construct railways through poor districts, are circumstances that have always been so imbued in the minds of legislators that it has been necessary to recognize how difficult it is to calculate on the state

railways bringing in 4, 3½, or even 3 per cent.”¹

The commission agreed that the rates already existing had helped in the economic development of Denmark and that if they had to be raised the increases must be both moderate, to avoid a falling off in the traffic in general, and that they should be imposed on both goods and passenger traffic. The commission, therefore, proposed to preserve the principle of the Act of 1895 in practically the same shape as before, especially as regards the fixation of rates on a scale rapidly decreasing with the distance, but to increase slightly the scale upon which passengers were charged. The rate on goods was to be raised 5 per cent over all distances.

More efficient management rather than the increase of rates was relied on chiefly to increase the profits, and a two-fold plan was devised to accomplish this purpose. In the first place, the organization, which had been costly and complicated and highly centralized, was to be reformed. In the second place a system of profit sharing was to be instituted in the hope that all the employees would then be interested in making the roads as profitable as possible. If the

¹ Rimestad, Bulletin International Railway Congress, V. 17.

profits for the year on the state railways exceeded 2 per cent on the capital employed and registered at the beginning of the year there was to be divided among the members of the general directorate and all the permanent employees, besides their salaries, a dividend based on the following scale:

50	per	cent	of	profits	if	dividend	were	between	2	and	2½%
30	"	"	"	"	"	"	"	"	"	2½	and 3%
10	"	"	"	"	"	"	"	"	"	3½	and 4%
5	"	"	"	"	"	"	"	"	"	4	and 5%

on the capital employed, up to a maximum of 6 per cent on the capital registered at the beginning of the year. An elaborate scheme was drawn up for a just apportionment of the profits among the beneficiaries of the plan. It will be noted that as the profits approached 6 per cent the portion to be distributed among the employees became but a small fraction. The reason for this was that it was not considered wise to encourage the employees to work for too high profits, as this might conceivably be done at the expense of the best service.

CHAPTER XVI

TAXES

THE budget of any country indicates pretty accurately the class that rules that country. Wherever we find an approach to democracy there we find taxes levied upon incomes, inheritances and wealth; wherever the government is in the hands of the privileged classes, whether landed or commercial, there we find that indirect taxes on consumption predominate. This is almost always true. The budget of a country is a mirror of the kind of government the people enjoy. It indicates the class which controls the state.

To most people taxation is a matter of little importance. They think of taxation merely as a means of getting money to meet the needs of the state. They care very little about its ultimate incidence. They do not realize that no single thing is as largely responsible for the prosperity or poverty of a people as the method of raising revenues.

THE INCIDENCE OF TAXATION. The essential democracy of Denmark is reflected in the system of taxation that prevails. It is far more equitable than in most of the countries in Europe. In the first place, Denmark may be classed as a free-trade country. Although one-third of the revenues come from customs or tariff taxes most of the articles of common use enter the country free. This is even true of foodstuffs, of meat, flour, coal, petroleum, etc., while the tariff on manufactured materials and metal goods is very low. It is surprising that an agricultural country, especially a country with a poor soil, should not have sought protection against the competition of America, Argentina and Russia. But the peasants of Denmark are self-reliant. Instead of a protective tariff they adjusted their agriculture to new markets. They went into dairying, the raising of hogs, cattle and eggs. They left the growing of wheat to countries better suited to large-scale production. In recent years the tendency has been to a continued reduction of the duties and there is a considerable party in the nation that stands for absolute free-trade and the raising of all revenues by direct internal taxation. However, the present duties average only 5 per cent, the rates having been

reduced from a general average of 8 per cent in 1908. Spirits are taxed heavily and the duty on beer is the highest in the world. Sugar is dutiable, while duties on tobacco and cigarettes have been recently increased. There are taxes on motor cars and amusements. There are a number of other taxes on corporations, legacies and inheritances, the later tax being graded according to the size of the estate and the relationship of the recipients to the testator.

The greater part of the revenues for state purposes comes from income taxation.

TAX REFORMS The act of 1903 was the first of a series of laws looking to reform in land taxation. At that time land was still being taxed on a valuation made in 1840, so that much very valuable land paid scarcely any taxes at all, while lands of little value were overburdened. The act of 1903 provided for a quinquennial basis of taxation. A uniform tax of 1.1 per thousand is imposed on the estimated capital value of all estates, including land and buildings. The total capital value of both in 1915 was \$1,750,000,000.¹

Direct taxation on incomes is levied at the

¹ *Denmark and the Danes*, Harvey and Rupien, p. 261.

rate of 1.4 per cent per annum, for incomes under \$275 and increases according to a graduated scale to 5 per cent for incomes over \$55,000. The first \$225 is exempt from taxation, while there are additional allowances for each child under fifteen.

The profits of limited companies are taxed at the rate of 3 per cent after the provision of a 4 per cent dividend for shareholders. This source of revenue brings in \$350,000 annually. Legacy duties have recently been increased. They vary from 1 to 3 per cent, according to the size of the estate, if the heir is a child of the legator, and rise to as high as 10 or 12 per cent if the bequest is to distant relatives.

STATE INDUSTRIES. The remainder of the state income is derived from railways, port fees, lotteries and the national bank. Most of the railways, and all the great trunk lines belong to the state. The income from this source exceeded \$1,750,000 in 1914, and as fares have since been increased, it is expected that profits will hereafter reach between \$2,500,000 and \$2,750,000. The capital invested in Danish state railways is \$75,000,000 and the total mileage is 2,000. Some lines, although not state owned,

are practically supported by the state, in that the treasury has acquired from 25 per cent to 75 per cent of their shares.¹

The post-office and telegraph together bring in an income of \$500,000 a year. The levy on the state lottery and the stamp duty on lottery tickets bring in respectively \$425,000 and \$500,000 a year. Abolition of the lottery has often been discussed, but nothing has been done as yet. It is felt that if the people must gamble, it is better that the profits from it should go to the state than to bookmakers.

There is also a national industrial lottery, in which the prizes are products of Danish manufacture, and the profits of which are devoted to supporting evening schools for young hand workers. There are also two smaller lotteries, privately controlled, which give part of their profits to the state. Two hundred and twenty-five thousand dollars a year is received from the national bank for the exclusive right to issue notes.

Prior to the war the total state taxes amounted to 100,000,000 kroner, of which 26,000,000 was direct taxes, 20,000,000 being from

¹ The war increased the operating costs of the railroads greatly. As a result a deficit of about \$4,500,000 was incurred in the fiscal year 1918-1919.

income taxes and the balance from indirect sources. For the year 1920-1921 the total state taxes will amount to 405,000,000 kroner, of which 220,000,000 will be collected from direct sources.

MILITARY EXPENDITURE. The expenditures of a country reflect the class which rules, as does the kind of taxes levied. Denmark spends much more money, proportionately, for social and productive purposes, and less on the army and navy, than do other European countries. The ordinary military expenditure in recent years has increased from \$2.40 to \$3.00 per inhabitant, which was a striking contrast to the figures for England, France or Germany.¹ In spite of the \$8,750,000 provided by the act of 1909 for the fortification of Copenhagen, which sum was to be spread over a number of years, the military and naval expenditures amount to only one-fourth of the budget. Considerable sums are spent in the support of certain trades and industries. Agriculture receives annually \$1,225,000, reclamation work on heath land, etc., \$500,-

¹ There are only 11,000 conscripts a year in Denmark.—*Denmark and the Danes*, p. 305.

000, and the mail routes between Denmark and England are also supported by substantial subsidies, in order to make secure for the Danish farmers the valuable English market.

The budget is divided about as follows:¹

To the support of trade and industry directly . . .	10	per cent.
For purposes of social betterment and amelioration	30	" "
Army and navy votes	30	" "
Administration (civil service, police, pensions, etc.)	20	" "
Interest on national debt	10	" "

Of the 30 per cent of the state income devoted to social work 5 per cent is devoted to old age pensions; hospitals and lunatic asylums receive between 6 and 7 per cent; national folk high schools the same amount; scientific education and the arts about 5 per cent.

NATIONAL DEBT. The national debt amounts to \$97,500,000, the greater part of which is held in France, from which country Denmark obtains most of her loans. The national debt is small as compared with that of other countries, even proportionately. It works out to about \$32.50 per inhabitant, and it must be remembered

¹ *Denmark and the Danes*, Harvey, pp. 267, 268.

that Denmark has invested much money in such undertakings as railways and small holdings.

The income of municipalities is derived from rates and from enterprises such as trams, water, gas and electric light. Rates are levied both on persons and on properties, the corporation being free to decide the amounts necessary to meet the expenses of the year. The municipal income tax permits an exemption of the first \$250 and an additional allowance of \$25 for every child in the family. Above these amounts rates vary from 1 to 6 per cent, according to the size of the income. At least this is the case in Copenhagen. In provincial towns the rate is the same for all incomes, but it varies from 5 to 10 per cent in different parts of the country. Assessors may add up to 25 per cent to the nominal amount of income for purposes of taxation where it seems to be warranted, as in the case of unmarried persons with unusually large incomes. On the other hand the nominal amount may be reduced as much as 65 per cent in the case of large families with small incomes. In many municipalities a further 5 per cent is added to the assessment value if the income is derived from interest on bonds or shares. Most municipalities now own and control gas, water and elec-

tricity works. The total debt of Danish municipalities is \$95,000,000, a great increase over the amount a few years ago. Most of it is held by Danish banks.¹

¹ *Denmark and the Danes*, p. 271.

CHAPTER XVII

SOME LESSONS FROM DENMARK

It would be misleading to assume that America should adopt Danish experiments in their entirety. Agricultural conditions are widely different. The Danish farm is small, the number of farms of between $\frac{1}{3}$ and 12 acres in extent numbering 133,000 out of 250,000, as compared with the average American farm of from 100 to 200 acres. Labor produces far more per man in this country than it does in Denmark, owing to the larger size of our farms and the greater capital investment per man. With a large part of our acreage not even under cultivation, it would be economic waste to divide the land into small holdings or to work it as intensively as is done in Denmark.

Yet allowing for all differences, the devices of the Danish farmer are as applicable to America as they are to Denmark. There is the same reason for the farmer to enter politics in this country as there was in Denmark. There is the same reason for cooperation, for special schools,

for ownership of dairies, slaughterhouses, marketing agencies and credit. There is the same urgent need for state loans to convert the tenant and the agricultural worker into an owner. The same exploiting agencies that were fast ruining the Danish farmer in the middle of the last century are ruining the farmer in America. These processes are proceeding quite as rapidly in this country as they did there.

THE NEED OF THE AMERICAN FARMER. Agriculture in America waits on an economic program that will make the farmer self-contained, that will enable him to control his own life, his politics, his banks, his markets, his means of distribution. And it is probable that the struggle in this country will be far more bitter than it was in Denmark, for the exploiting agencies with us are far more powerfully organized; they have a stronger strangle-hold on politics, the press and on our industrial life than they did in little Denmark a generation ago.

The farmer is the Cinderella of politics. He is the prey of the speculator and the exploiter. He is a free man in theory, but in practice he is preyed upon by innumerable agencies that live upon his efforts. In the middlewest especially,

the farmer works for the speculator and the middleman. He has been reduced to something like serfdom that differs more in the methods employed than in the fact itself.

The agencies that most burden the American farmer are:

1. The railroads, transportation and terminal agencies.
2. The banking and credit institutions.
3. The slaughtering, warehousing, storage, marketing and selling agencies.
4. Landlordism and tenant farming.

Let us examine the economic condition of the American farmer.

First, the American farmer produces for an unknown price and for an unknown market. He plants his crops, he employs labor, he incurs indebtedness, wholly in the dark. He does not know what price he will receive for his produce or whether it will yield him enough to even pay for his own labor. Prices are fixed for him first by the total output of the country or of the world, and second by commission men, speculators and buyers, who determine without consultation with the farmer what will be offered for what he produces.

The packing syndicate determines what will

be paid for cattle, hogs and sheep. The commission man fixes the price of perishable produce. The price of poultry and eggs is fixed in the same way. There is no competition among the buyers. Moreover the price is fixed when the farmer has to sell. It is fixed not by the public but by speculative agencies which control the market, buying at the lowest possible price and selling at the highest possible price.

The farmer cannot store his goods for an opportune market, for he has no storage facilities. The means of warehousing and cold-storage are in the hands of the packers and commission men. They often control the banks or if they do not control them the banks are unwilling to make loans to the farmers. As a rule the farmer must sell at the end of the season to pay his debts which have been incurred during the harvest season.

LACK OF CREDIT AGENCIES. Second, the farmer has no credit agencies such as are found all over Europe. Very often the banks find it more profitable to work with the speculators who offer good commercial paper, than they do with the farmers. The banks again are inter-

locked by common directors with the commission men, packers and speculative agencies. To them they loan money on easy terms. This enables the speculators to control the market. Independent farmers are a menace to the speculative group. They disturb the market.

In addition the farmer finds it difficult to secure credit for his current operations; to buy machinery, to employ labor, to put in his crops. This is especially true of the small farmer and the tenant. The investigations made by the Comptroller of the Currency in 1915 as to usury and credit operations in the west, showed that tenant farmers paid 40, 50, sometimes 100, sometimes as much as 200 per cent for their necessitous loans. In some parts of the country farmers can only get credit from the neighborhood store or from private individuals, for the most part landowners who extend credit to tenants and buyers on exhaustive terms.

THE RAILROADS. Third, the farmer labors under a constant menace from the railroads. They too are interlaced with the speculators. They refuse or are unable to furnish cars. Hundreds of other produce is permitted to rot every year, or of millions of dollars worth of food, fruit and

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is unable to reach a market, either because of inadequate transportation facilities or because of the conspiracy of speculators and middlemen to keep an ample supply of food off from the market. The railroads are closely merged with the packers who own refrigerator cars, terminals and cold-storage plants. It is to their common interest to limit production and thus maintain prices. The directors and officers of railroads are much more interested in the exploiting groups than they are in the farmers. The railroads do not function for the promotion of production as they do in other countries, especially as they do in Denmark, Germany and Australia.

The small farmer, the truck farmer, the farmer near the large city, is often discriminated against. The short-haul traffic yields a small return to the railroads. Foodstuffs rot in New York State every fall, as does fruit, while trainloads of produce come in every day with the regularity of passenger service from California, Oregon, Texas and Florida. The railroads get large earnings from the long haul. So they discourage and often kill local farming. This is one reason why farmers all over the east are abandoning their farms.

THE PACKERS. The raising of cattle, hogs and sheep is discriminated against in the same way. The Big Five packers seek to control the market. They buy out or destroy local slaughterhouses. They control the cold-storage warehouses. They also control the refrigerator cars. There are no markets where the eastern farmer can sell his cattle, hogs and sheep. So the farmer gradually abandons the raising of live stock. This in turn reduces the production of milk, butter and cheese. The railroads have probably done more to discourage agriculture than any other single agency.

PUBLIC SLAUGHTERHOUSE. In other countries butchering is done in publicly owned or co-operatively owned abattoirs. In every other country in the world save England and America abattoirs are publicly owned. All slaughtering must be done in public slaughterhouses. Almost every town of any size in Europe has a sanitary abattoir. There are upwards of a thousand such abattoirs in Germany. There is no meat trust in these countries. And live stock of all kinds is raised in abundance roundabout every town and city. In Denmark, as we have seen,

the slaughtering is done in cooperative abattoirs. Monopoly is difficult, if not impossible under these conditions. Live stock is either driven on the hoof to the abattoir or the railroads cooperate to develop local transportation in the interest of the consuming public. In some of the states of Australia the state itself receives, transports, slaughters, grades, packs and sells all the produce of the farm. The state is the middleman between the farmer and the consumer.

I have no doubt but that the farm produce that reaches the market in America could be increased by billions of dollars a year if the means of transportation were adjusted to the adequate haulage, storage and marketing of such produce. I have no doubt but that the annual output would be increased by billions if the farmer were assured a market and were protected from the many agencies that now live upon his efforts. We have seen how agricultural produce expanded in Denmark; how that country seized possession of the markets of England and Germany as soon as the agencies that controlled its output passed into the hands of the farmers and were operated for his benefit.

THE NEED OF CREDIT AGENCIES. Credit is another agency that must be organized for the benefit of the farmer. It must be socialized and made an agency of production rather than of exploitation. The farmer needs credit as much as does the business man. But there are no banking agencies to aid him. The Federal Farm Loan banks are designed to lend money upon long-term mortgages. They are not commercial banks. The national and state banks use their resources for commercial purposes. A great part of their deposits are kept in the money centers for speculation. Of banks to aid the farmer there are practically none in this country.

Farmers' credit organizations have been developed all over Europe. They are in the form of credit unions or *Raiffeisen* banks, or are regular banks organized by the farmers themselves. There are 16,000 *Raiffeisen* banks in Germany alone, which made loans in 1913 up to \$560,000,000. The credit union is an organization of local farmers who know one another. They organize a small cooperative union. One of their members is elected treasurer. A loan committee is provided for, which extends credit to the individual farmer on a promissory note

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signed by one or more of his neighbors. They see that the money is wisely invested. They see that it is repaid. The interest rates are low and the organization is directed to the promotion of agricultural efficiency all along the line. These little banks of the farmers have spread all over Europe. Together with similar banking agencies for artisans, there were 65,000 of them before the war, which had a total annual turnover of nearly seven billion dollars.

STATE BANK OF NORTH DAKOTA. The state of North Dakota has recently organized a state bank known as the State Bank of North Dakota. It began business operations in June, 1919, with \$2,000,000 of capital raised by an issue of state bonds. The State Bank was made the depository of all state, county, municipal and school funds. These gave it initial resources of upwards of \$17,000,000. Almost immediately the bank reduced interest rates from an average of 8.7 to 6 per cent. It has loaned large sums on real estate security and has been of great service in promoting the agricultural prosperity of the state. In the first 170 days of its existence it made a net profit of \$76,588.

FARM TENANTRY IN AMERICA. As stated elsewhere America is rapidly becoming a nation of farm tenants. Tenancy has reached alarming proportions. And it is growing with great rapidity especially in the middlewest. Along with the increase in tenantry agricultural land values are advancing to such prohibitive figures that the farm tenant can scarcely hope to be anything more than a tenant or worker. It is almost impossible for a tenant farmer to make a living on land valued at from \$200 to \$300 an acre, which is the price of a great deal of farm land in the middlewest. Increasing land values always means an oppressed tenantry; especially in a country where there are no laws for the protection of the tenant, as there are in England, Ireland, and some of the countries in Europe.

The increase in farm tenantry is indicated by the census investigations. In 1880 25.6 per cent of all American farms were operated by others than owners. In 1890 the percentage had increased to 28.4 per cent. By 1900 it had increased still further to 35.5 per cent, while in 1910 it reached 37 per cent.

The increase in tenantry is indicated by the number of farms operated by others than own-

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ers. In 1910, of 6,400,000 farms in the country, less than 4,000,000 were owned by those who worked them. Whereas actual farm ownership increased only 4.8 per cent from 1900 to 1910, the number of farms operated by renters increased by 31.6 per cent.

This increase has not been confined to any section of the country. It is true of practically all of the farming states. In some sections of the country, notably Mississippi, Texas and Oklahoma, farm tenancy is rapidly becoming universal. In some counties, it rises as high as 60 and 80 per cent.

The description of the farm tenant in California is applicable to the farm tenant generally. The Commission on Land Colonization and Rural Credits in that state reported in 1916 that tenants cannot "better social conditions or take an interest in politics, good roads or public affairs. The struggle for existence takes up his undivided attention."

A similar inquiry in that state reported that: "the white contingent of California's tenant class are generally living under conditions inimical to democratic citizenship. The tenants' children cannot make the desired progress in education, as they are constantly moving from

one school district to another. Parents, because of their transitory life, take little interest in the schools; first for failure to appreciate their value, and secondly because the children are obliged to help in the exacting routine of the family's existence."

Tenancy is one explanation of the rapid deterioration of the American farm, and of millions of farmers as well. The result of tenancy is the same in all countries; whether it is in Ireland, England or Belgium; in East Prussia or in Austria-Hungary. It results in deterioration of the soil, an impoverished people, and in a decaying political and social system.

THE FARM COLONY AND STATE AID TO FARMERS.
There is need in this country for small holdings, especially in the eastern states and around our cities. The small holding is the proper method for truck gardening, for the raising of fruit, poultry, eggs and other perishable products. A properly organized agricultural community would attract thousands of persons of small means; retired artisans and professional persons who are tired of city life and desire to retire to a more leisurely life in the country.

Denmark, Australia and Ireland have demon-

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strated the success of the farm colony promoted by the state. Australia has spent large sums in the promotion of such colonies. And they have been a universal success. Great Britain has expended over \$300,000,000 in breaking up the large estates in Ireland. The state of California has developed its first farm colony. The sum of \$250,000 was appropriated by the legislature for this purpose. A commission of experts was appointed which purchased a tract of 6,000 acres and laid it out in small holdings to be sold on easy terms to buyers. The purchaser was required to provide about one-third of the capital invested, the state providing the balance. The state aided the colonists in laying out the farms, in deciding on the methods of cultivation and in providing the farmer with experts, good stock, etc. The first colony was sold out in a few weeks' time. It has been in operation for over two years and has proven such a success that a larger tract has been provided and a state bond issue of several million dollars has been authorized for extending the idea.

The farm colony is a success wherever it has been tried. Upwards of a billion dollars had been invested before the war by Great Britain

in Ireland, by Germany, Denmark and Russia in the laying out of small holdings. In all of these countries there had been few losses. A better kind of agriculture was introduced. The breed of farm animals was improved. Thrift took the place of incompetence. The drift from the country to the city was stopped by educational and recreational activities. Cooperative buying and selling was introduced, as was community ownership of tractors and farm machinery. America is in need of just such a program, a program promoted by the federal and the state governments.

POLITICS. The American farmer should enter politics as he has in Denmark. He must look after his own interests. No other group or class will look after them for him. A generation of reliance on existing parties has left him the prey to privileged groups and interests. Having no political power he has lost his economic power. He has been exploited by one group after another until he is shorn of the dignity and standing that he had for many generations. Moreover the American farmer is the poorer by hundreds of millions of dollars annually, by reason of his neglect of politics. The farmers

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of North Dakota claimed that they lost \$55,000,-000 annually by fraudulent grading of wheat, by the unfair methods of commission men and millers of Minneapolis and Chicago, and by other practices employed in the marketing of their produce. And the farmers of North Dakota discovered that these evils could only be corrected by political action. So they entered politics. They started an agrarian movement similar in many respects to the movement started in Denmark forty years ago by the Friends of the Peasants. It was a revolt against economic oppression. The struggle continued for many years. Finally the farmers organized the Non-Partisan League and entered the primaries of the Republican and Democratic parties. In 1918 they secured control of the legislature. They elected their own governor and members of the Supreme Court as well. Then they enacted their own program into law. It consisted of: (a) a state banking law; (b) laws for state owned marketing facilities, terminal warehouses and slaughterhouses; (c) the readjustment of taxation so as to exempt farm improvements and increase the burden of taxation on land values. As in Denmark the farmers of North Dakota have adopted a modified form of

the single tax. They have sought to end land speculation by forcing the land into use.

The agrarian movement in America will undoubtedly be a state movement. It will make its way into national affairs from the western states where the farmers are more responsive to new ideas than they are in the east. From these states it may extend to the nation as well. But a substantial control of political conditions is possible through local and state action.

The experience of Denmark shows that a state must own many things and do many things in order that the people may be free. Even *laissez faire* involves the taking of certain industries out of the field of private ownership in order that other industries may operate freely. Industrial freedom involves a certain amount of state control or cooperative control in order that other liberties may be enjoyed. And only through such cooperative action, either voluntary action of the individual or political action through the state, can the producing groups so control their economic life as to escape from the exploiting agencies that have risen to such power in America.

Denmark is an experiment station in freedom. It is a demonstration of what can be ac-

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complished by any people once they have released the talent of the people and given it an opportunity to play.

Denmark, too, is a demonstration that the political state can be used by democracy for its own ends. It can be used as an agency for culture and education, as an agency for developing home ownership and farm ownership, as an agency of justice in all of the relations of life. Denmark has abolished privilege. In so doing she has ended many of the economic injustices that are the result of privilege. With privilege abolished democracy has taken its rightful place. And democracy has ushered in a larger degree of economic justice than in any other country in the world.

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